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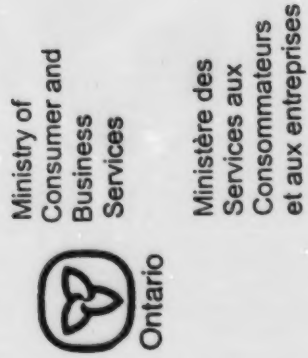
**L'IMPRIMEUR DE LA REINE POUR
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Registration Division
Division de l'enregistrement

2001

Annual Charge Book
Cahier des charges
Standard charge terms
Clause types de charge

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This publication is issued pursuant to clause 8(5)(b) of the Land Registration Reform Act, which requires the Director of Land Registration to enter all sets of standard charge terms filed under subsection 8(1) of the Act during the calendar year in a charge book and to make available copies of the charge book for purchase by the public. The prescribed fee for the book, set by Item 3 of Section 7 of Regulation 688 under the Act, is \$50.00. To comply with the legislation, the book contains the terms filed in 2001 unaltered in any way.

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Registration Division
Ministry of Consumer and Commercial Relations

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Division de l'enregistrement
Ministère de la Consommation et du Commerce

**CLAUSES TYPES DE CHARGE DEPOSEES EN 2001
STANDARD CHARGE TERMS 2001**

**FEUILLE DE CONTROLE
CONTROL SHEET**

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NO DE DOSSIER FILE NUMBER	PAGES FILING DATE	DATE DE DEPOT FILING DATE	NOM/RAISON SOCIALE NAME
20011	15	2001/01/30	BUSINESS DEVELOPMENT BANK OF CANADA
20012	9	2001/03/24	Prosperity One Credit Union Limited
20013	7	2001/06/05	Ontario New Home Warranty Program
20014	32	2001/06/12	Montreal Trust Company of Canada and EquityPlus Financial Inc.
20015	18	2001/06/28	ROYAL BANK OF CANADA and ROYAL TRUST CORPORATION OF CANADA
20016	10	2001/07/03	Toronto-Dominion Bank
20017	27	2001/07/11	ROYAL BANK OF CANADA
20018	15	2001/08/08	CIBC Mortgages Inc.
20019	13	2001/08/08	CIBC Mortgages Inc. (President's Choice Financial)
200110	10	2001/08/08	CIBC Mortgages Inc. (FirstLine MORTGAGES)
200111	13	2001/09/11	CIBC Mortgages Inc. (FirstLine MORTGAGES)
200112	6	2001/11/06	The Bank of Nova Scotia (French of #9816)
200113	14	2001/11/27	CIBC Mortgages Inc. (FirstLine MORTGAGES)
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200115	15	2001/12/04	L'ALLIANCE DES CAISSES POPULAIRES DE L'ONTARIO LIMITEE
200116	16	2001/12/04	L'ALLIANCE DES CAISSES POPULAIRES DE L'ONTARIO LIMITEE (French of #200115)
200117	9	2001/12/31	Scotia Mortgage Corporation

STANDARD CHARGE TERMS

FILED BY: BUSINESS DEVELOPMENT BANK OF CANADA

STANDARD CHARGE TERMS CLAUSES TYPES DE CHARGE

AS

Filing No. 20011 Cote

MORTGAGEE

Filing Date Jan. 30, 2001 Date de Dépôt

FILING DATE -

Page 1 of 15 Fifteen (15) Pages

FILING NUMBER -

Jan Veitch

DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

The following set of standard charge terms is considered to be included in and form a part of every Charge/Mortgage of Land in which this set is referred to by its filing number as provided in Section 9 of the *Land Registration Reform Act* (Ontario)

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For good and valuable consideration, the receipt and sufficiency of which you hereby acknowledge, you warrant, represent, covenant and agree with us as follows:

1. INTERPRETATION

1.1 Definitions. In this Mortgage (as hereinafter defined):

- (a) "Assigned Leases" means every existing and future Lease and any guarantee of any such Lease;
- (b) "Assigned Rents" means all rents, benefits and other monies payable from time to time under the Assigned Leases;
- (c) "Charge" means any mortgage, charge (fixed or floating), pledge, lien (statutory or otherwise), assignment, lease, security interest, title retention agreement, trust, easement, restrictive covenant, lease, registered instrument or other encumbrance of any nature however arising;
- (d) "Environmental/Hazardous Materials Claims" means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental/Hazardous Materials Laws, together with claims made or threatened by any third party against you or in respect of the Mortgaged Property relating to the environment, health, safety, any Wastes/Hazardous Materials or any Environmental/Hazardous Materials Laws;
- (e) "Environmental/Hazardous Materials Laws" means laws, by-laws, rules, ordinances, regulations, notices, approvals, orders, licenses, permits, standards, guidelines and policies from time to time of any level of government or other authorized agency relating to the environment, health, safety or any Wastes/Hazardous Materials;
- (f) "Event of Default" means any event referred to in paragraph 10.1 hereof, or otherwise herein, as constituting an Event of Default;
- (g) "Improvements" means each and every building, structure, erection, improvement, fixture or replacement thereof affixed or attached in, on, or under the Mortgaged Property or any part thereof which now or hereafter constitutes part of Your Interest;
- (h) "Lease" means a lease, sub-lease, agreement to lease or sub-lease, right of use or occupation, licence or sub-licence, or other agreement as to the use or occupation affecting the Mortgaged Property, or any part thereof, as the case may be, and includes any renewal, replacement or extension of any of the foregoing;

- (i) **"Mortgage"** means the Mortgage Form and these charge terms read together, as amended and extended from time to time;
- (j) **"Mortgage Form"** means the Form 2 Charge/Mortgage of Land under the *Land Registration Reform Act* (Ontario), as amended or replaced from time to time, which refers to these charge terms and is executed by you and all schedules and addenda attached to such Form 2 and "Mortgage Form" includes a Mortgage Form prepared and registered in electronic format and all schedules thereto under Part III of the said Act;
- (k) **"Mortgaged Property"** means the land(s) described or referred to in box 5 of the Mortgage Form (or in the appropriate field as set out in any Mortgage Form prepared in electronic format) together with the improvements, appurtenances and every other thing referred to in the definition of "land" in Section 1 of the *Land Registration Reform Act* (Ontario), as amended or replaced from time to time, and whether now or hereafter existing or acquired, in connection with such land(s);
- (l) **"Mortgagee"** means the Chargee shown in box 14 of the Mortgage or in the appropriate field as set out in any Mortgage Form prepared in electronic format;
- (m) **"Mortgagor"** means the Chargor shown in box 11 of the Mortgage or in the appropriate field as set out in any Mortgage Form prepared in electronic format;
- (n) **"Permitted Charges"** means any:
 - (i) Charges that are expressly subordinate in priority to the Mortgage and any present or future advances under it;
 - (ii) Charges in our favour, and
 - (iii) Charges approved in writing by us prior to the execution of the Mortgage or the creation of the Charge;
- (o) **"Receiver"** includes a receiver, manager, receiver and manager or receiver-manager however appointed;
- (p) **"Secured Obligations"** means the aggregate of:
 - (a) the principal amount set out in the Mortgage Form;
 - (b) all interest thereon at the Interest Rate set out in the Mortgage Form;
 - (c) any amount, cost, charge and expense which has been added to the Secured Obligations pursuant to the Mortgage;
 - (d) any other amount, cost, charge and expense otherwise due and payable to the Mortgagee hereunder or secured by the Mortgage;
 - (e) interest at the Interest Rate set out in the Mortgage Form on all amounts, costs, charges and expenses payable in accordance with paragraphs (c) and (d) above, which amounts, costs, charges, expenses and interest shall be treated, as to the payment of interest thereon, as principal;
 - (f) compound interest on all overdue interest, calculated at the Interest Rate set out in the Mortgage Form, both before and after default, demand, maturity and judgment until paid; and
 - (g) all other present or future debts, liabilities or obligations of the Mortgagor hereunder, or under any letter of offer, commitment letter, guarantee, or any other agreement with the Mortgagee, (including all future advances and re-advances, interest, and interest on overdue interest), whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatsoever nature or kind, whether or not provided for herein, and whether owed by the Mortgagor to the Mortgagee, as principal, guarantor, indemnitor or otherwise.
- (q) **"Taxes"** means all taxes, assessments, rates, duties, levies, government fees, utility charges, claims and dues levied, assessed or imposed on Your Interest or on you in respect of Your Interest;
- (r) **"Wastes/Hazardous Materials"** means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which

is prohibited, controlled or licensed under any Environmental/ Hazardous Materials Laws, or the remediation or release of which into the environment is likely, immediately or in the future, to cause harm or degradation to any of the Mortgaged Property or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls;

(s) "Your Interest" means:

- (i) the estate, right, title and interest in and to the Mortgaged Property as set out in box 7 of the Mortgage Form (or, in the case of a Mortgage Form which is prepared in electronic format, the estate, right, title and interest described in the appropriate field therein) which, unless the Mortgage Form otherwise expressly provides, includes both the legal and beneficial estate, right, title and interest in and to the Mortgaged Property; and
- (ii) any other estate, right, title or interest in and to the Mortgaged Property hereafter acquired by you, or in your name.

1.2 **Our Certificate Conclusive.** Every certificate signed by one of our representatives purporting to show the amount of monies at any particular time due and payable under this Mortgage shall, in the absence of manifest error, be conclusive evidence as against you of the amount due and payable at such time under this Mortgage.

1.3 **Invalidity.** The invalidity or unenforceability of the whole or any part of any paragraph of this Mortgage shall not affect the validity or enforceability of any other paragraph or the remainder of such paragraph.

1.4 **Headings.** The headings used in this Mortgage have been inserted for convenience of reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage.

1.5 **Jurisdiction.** This Mortgage will be governed by and construed in accordance with the laws of Ontario.

1.6 **Time of the Essence.** Time shall be of the essence of this Mortgage.

1.7 **Consolidation.** The doctrine of consolidation shall apply to this Mortgage.

1.8 **Interpretation.** Whenever in this Mortgage the singular or neuter pronoun is used the same shall be respectively construed as the plural, masculine, feminine or body corporate as the context may require.

1.9 **Joint and Several Liability.** If you are comprised of more than one person, the liability of such persons is joint and several and every reference in this Mortgage to you shall be construed as meaning each person who executed this Mortgage as a mortgagor as well as all of them.

1.10 **Conflict with Mortgage Form.** If there is any conflict between these charge terms and any express terms in the Mortgage Form, the provisions of the express terms in the Mortgage Form shall prevail.

1.11 **Conflict with Agreement.** If you have entered into a letter of offer, commitment letter, loan agreement or guarantee (the "Agreement") with us dealing with, or relating to, the Secured Obligations, or any of them, then, in the event of any conflict between any term of this Mortgage and any term of the Agreement, the term of the Agreement shall prevail.

1.12 **Enurement.** This Mortgage shall enure to the benefit of and be binding upon you and us and our respective heirs, personal representatives, successors and permitted assigns.

2. GRANT OF SECURITY

2.1 **Mortgage.** As security for payment and performance of the Secured Obligations, you hereby charge and mortgage Your Interest to us, subject to Permitted Charges and the provisions hereof, and, subject to paragraph 3.1, you release all claims to Your Interest to us.

2.2 **Title.** If you are not the beneficial owner of Your Interest or any part of Your Interest, you have the right and authority to grant this Mortgage as a charge against both the legal and beneficial title to all of the Mortgaged Property.

(a) you will duly observe, perform and comply with the covenants, provisos and agreements contained in each Permitted Charge (including the punctual payment of any money payable under the same) and you agree to indemnify and save us harmless from and against any and all loss and liability thereunder; and

(b) any default under any Permitted Charge shall be deemed to be an Event of Default hereunder.

5.4 **No Charges.** You will not create, assume or permit the existence of any Charge affecting any of Your Interest except for Permitted Charges, but nothing herein shall be constituted as our granting any priority to any such Permitted Charges.

5.5 **Miscellaneous Fees.** You shall pay to us on demand the following, all of which shall constitute a Secured Obligation and be payable immediately with interest at the highest rate of interest then in effect with respect to any part of the Secured Obligations, until paid:

(a) a reasonable servicing fee to process each application for approval as herein contemplated; and

(b) all fees, costs, charges and expenses (including legal fees and expenses on a solicitor and his own client basis, Receiver's, bailiff's or other fees, commissions and expenses, and any fine, cost or penalty we may be obliged to incur by reason of any statute, order or direction by competent authority) incurred by us, or on our behalf, whether before or after court proceedings are commenced, in connection with:

(i) the preparation, issue, registration, modification and extension of this Mortgage, investigating title of the Mortgaged Property, recovering, collecting, procuring or enforcing payment or performance of the Secured Obligations, in any way enforcing or protecting the security of this Mortgage, or enforcing any of the terms of this Mortgage or otherwise exercising our rights and powers hereunder (including all of our travelling expenses and those of our employees and agents);

(ii) any inspection, appraisal, investigation or environmental audit of the Mortgaged Property or Your Interest;

(iii) any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the Mortgaged Property or Your Interest; and

(c) all other amounts paid or incurred by us generally in any other measure or proceeding taken by us or on our behalf to realize or collect the Secured Obligations or to defend or perfect the title of Your Interest, or to protect and preserve the Mortgaged Property.

5.6 **Maintain Insurance.** While this Mortgage is in effect you will:

(a) maintain or cause to be maintained insurance on Your Interest with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as we may require including, without restricting the generality of the foregoing,

(i) insurance against loss or damage by fire to the Improvements in an amount of not less than full insurable value on a replacement cost basis; and

(ii) insurance against loss or damage to the Improvements on an all-risks basis.

(b) cause the insurance policy or policies required by this Mortgage to name us as a loss payee as our interest may appear in respect of Your Interest, and include a standard mortgage clause or a mortgage endorsement;

(c) pay all premiums respecting such insurance, and deliver all policies to us if required;

(d) upon request, immediately assign, transfer and deliver over to us each and every policy or policies of insurance and all receipts pertaining to same;

(e) on the happening of any loss or damage to the Mortgaged Property or any of Your Interest, immediately notify and furnish to us, at your expense, all necessary proofs and do all necessary acts to enable us to obtain payment of any insurance monies otherwise payable to you, but nothing shall limit our right to submit to the insurer a proof of loss on our own behalf; and

- (f) authorize and direct the insurer under any required policy of insurance to include our name as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by us to any insurer of a certified copy of this Mortgage shall be its complete authority for so doing.

If you fail to maintain insurance as required, we may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as we consider necessary for our protection. If proceeds of any required insurance become payable, we may, in our absolute discretion, apply these proceeds to the Secured Obligations as we see fit or release any insurance proceeds to you to repair, replace or rebuild, but any release of insurance proceeds to you shall not operate as a payment on account of the Secured Obligations or in any way affect this Mortgage or the Charges created hereby. To ensure that we may apply such insurance monies in the manner herein contemplated, you also assign and release to us all of your rights to receive the insurance monies.

5.7 Use, Maintenance and Alteration of Improvements. You will:

- (a) promptly observe, perform, execute and comply with all laws, by-laws, rules, requirements, orders, directions, ordinances and regulations of every governmental, municipal and civil authority or agency concerning any part of the Mortgaged Property that constitutes part of Your Interest;
- (b) not permit or commit any act of waste on any part of the Mortgaged Property that constitutes part of Your Interest;
- (c) not change, or agree to any change of, the present use of Your Interest without our prior express written consent;
- (d) keep all improvements in good condition and repair;
- (e) not permit any Improvements to be unoccupied or unused without our prior express written consent;
- (f) carry on your business in a proper, business-like manner and maintain proper books of account;
- (g) not permit any of the following activities to occur in, on or under the Improvements:
 - (i) businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services;
 - (ii) businesses trading with countries that are proscribed by the Federal Government;
 - (iii) businesses which operate as a separate and sole entity nightclubs, bars, lounges, cabarets, casinos, discotheques and similar operations; or
 - (iv) businesses that are engaged in or associated with illegal activities.

You also agree that if following the grant of this Mortgage your business or the business of a tenant of yours fails to comply with this paragraph, the same may, at our discretion, constitute an Event of Default.

- 5.8 Right to Inspect and Repair.** We and any of our agents, may at such time and from time to time, as we deem necessary and without the concurrence of any person, enter upon any part of the Mortgaged Property and make arrangements for completing the construction, repairing or putting in of Improvements, or for inspecting, appraising, taking care of, leasing, collecting the rents of, and generally managing any or all of Your Interest, as we may deem expedient, including the inspection and copying of your books and records, whether located at the Mortgaged Property or elsewhere. Further, you consent to our contacting and making enquiries of your lessors/lessees, as well as environmental officials, assessors, municipal authorities and any taxing body.

- 5.9 No Dividends, etc.** If you are a corporation, you will not, without our prior written consent, issue, purchase or redeem any of your shares, permit any of your shareholders to sell, transfer or dispose of their shares, declare or pay any dividends on any of your issued shares, or amalgamate, merge, consolidate or enter into any business combination with any other person.

5.10 **Spousal Consent.** If you are a spouse, your spouse if so named in the Mortgage Form, consents to the transaction evidenced by this Mortgage and releases all his or her interest in the Mortgaged Property to the extent necessary to give effect to our rights hereunder.

5.11 **Change in Status.** Immediately after any change or event affecting any of the following, namely:

- (a) Your spousal status;
- (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act* (Ontario); and
- (c) the legal title or beneficial ownership of the land,

you will advise us accordingly and furnish us with full particulars thereof, the intention being that we shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, you covenant and agree to furnish us with such evidence in connection with any of (a), (b) and (c) above as we may from time to time request.

5.12 **Perfection of Security.** You will do all things required in order that our security under this Mortgage is constantly perfected.

5.13 Every part, lot or unit into which the Mortgaged Property is or may hereafter be divided does and shall stand charged with the Secured Obligations and no person shall have any right to require the moneys hereby secured to be apportioned upon or in respect of any such part, lot or unit.

6. ENVIRONMENTAL MATTERS

6.1 **No Environmental Risks.** You represent and agree that:

- (a) you are not aware of any environmental risks or liabilities in connection with the Mortgaged Property which have not been disclosed to us and approved by us in writing;
- (b) the operations on the Mortgaged Property are and will be kept in compliance with all Environmental/Hazardous Materials Laws and you will ensure your staff is trained as required for such purpose;
- (c) you have an environmental emergency response plan and all your officers and employees are familiar with that plan and their duties under it;
- (d) you possess and will maintain all environmental licences, permits and other governmental approvals as may be necessary for the conduct of your business;
- (e) the Mortgaged Property is and will remain free of environmental damage or contamination;
- (f) you will provide us with copies of all communications from or to any person relating to Environmental/Hazardous Materials Laws and any Environmental/Hazardous Materials Claims in connection with the Mortgaged Property that become known to you, and all environmental studies or assessments prepared for you, and you consent to us contacting and making enquiries of environmental officials or assessors;
- (g) you will advise us immediately upon becoming aware of any environmental problem relating to the Mortgaged Property or your business;
- (h) without limiting the above, you will not install in, on or under the Mortgaged Property storage tanks for any Wastes/Hazardous Materials without our prior written consent and only upon full compliance with our requirements and the standards and requirements of all boards and governmental authorities having jurisdiction over the Mortgaged Property, and your activities and assets.

6.2 **Indemnity.** You agree to assume and be responsible for any and all environmental liabilities relating to the Mortgaged Property, including any liability for the clean-up of any Wastes/Hazardous Materials in, on or under the Mortgaged Property, and you agree to protect, save harmless and indemnify us, and any Receiver, and our respective directors, officers, employees and agents, direct and indirect successors and assigns, and our interest in the Mortgaged Property, from and against any and all claims, demands, liabilities, losses, damages and expenses, including legal fees and expenses, suffered by any of such persons arising out of or in connection with any and all environmental

liabilities relating to the Mortgaged Property. Your liability will arise upon the earlier of the discovery of any Wastes/Hazardous Materials, and the institution of any Environmental/Hazardous Materials Claims, and will not be dependent upon the realization of any loss or damage or the determination of any liability. This indemnity and your liability hereunder will survive after this Mortgage and the Charges created hereby have been discharged.

7. ASSIGNMENT OF RENTS

7.1 As additional security for the payment and performance of the Secured Obligations, you hereby assign the Assigned Rents to us, together with the benefit of all covenants, rights and agreements contained in the Assigned Leases and you agree as follows:

- (a) to execute and deliver such further assignments, notices or other documents as may be required to render this assignment effective;
- (b) we are not obliged to collect any Assigned Rents, nor to comply with any covenant, agreement or term of any Assigned Lease;
- (c) the tenants shall pay the Assigned Rents as we may from time to time direct, and in the absence of direction, may pay them to you;
- (d) none of the Assigned Leases or your rights thereunder including the right to receive the Assigned Rents, has been or will be amended, assigned, encumbered, terminated, discounted or anticipated without our prior written consent;
- (e) no tenant, sub-tenant, licensee or sub-licensee, as the case may be, may make, and you may not accept, a prepayment of Assigned Rents without our prior written consent and where any such person under any Assigned Lease entered into prior to this Mortgage has a contractual right to prepay Assigned Rents, such prepayment will, if made, be paid to us and applied as prepayment on the Secured Obligations or any of them, or held as security for the Secured Obligations, as we may determine, unless we have, in writing, waived our right to receive such prepayment;
- (f) there is no existing default in payment of Assigned Rents or otherwise under any of the Assigned Leases by any of the parties thereto and no outstanding dispute under any of the Assigned Leases;
- (g) you will observe and perform all of your obligations under each of the Assigned Leases and deliver to us a true copy of each of the Assigned Leases upon demand;
- (h) all Assigned Leases made hereafter will contain terms and conditions and be with tenants, sub-tenants, licensees or sub-licensees (as the case may be), which are not less favourable or desirable to you than those which a prudent landlord would expect to receive for the premises to be leased or subleased. Without limiting the foregoing, each such lease shall contain a covenant by the tenant, in form satisfactory to us, to attorn to us as tenant on demand made after occurrence of an Event of Default, for the balance of the term of the tenant's lease and on the same terms and conditions as are contained in the lease. The benefit of such covenant is and is hereby deemed to be assigned by you to us as additional and separate security to the other security created by the Mortgage including the Assignment of Rents and Assignment of Leases, for payment and performance of the Secured Obligations, and may be enforced by us by demand as aforesaid. We shall have no obligation, however, to enforce the covenant, nor shall our rights and remedies otherwise existing under the Mortgage or at law, including the Assignment of Rents and Assignment of Leases, be prejudiced by the taking, assignment or enforcement or non-enforcement of the covenant, except insofar as enforcement, if any, would be inconsistent with such other rights and remedies including our right to immediate vacant possession or to demand that the tenant attorn to us as a yearly tenant.
- (i) nothing we do pursuant to this paragraph will deem us to be a mortgagee in possession of the Mortgaged Property and we need account only for such monies as we actually receive and we are entitled to charge a reasonable collection fee against such receipts for the collection thereof; and
- (i) we may recover and apply Assigned Rents to such part of the Secured Obligations as may be then due and unpaid without accelerating due dates of the Secured Obligations or any part thereof, or otherwise realizing on our security.

Provided that a discharge of this Mortgage under paragraph 3.1 will constitute a re-assignment to you of all rights and benefits assigned to us by this paragraph.

8. ASSIGNMENT OF RIGHTS OF INDEMNITY

- 8.1 You hereby assign to us all and any rights of indemnification you now have, or which you may hereafter have, arising or existing by reason of or with respect to Your Interest and the Improvements to have and to hold, take and receive the same to our use absolutely, provided that a discharge of this Mortgage under paragraph 3.1 will constitute a re-assignment of such rights to you.

9. MORTGAGES OF SPECIAL INTERESTS

- 9.1 **Leasehold.** If Your Interest is as a lessee, sub-lessee, licensee or sub-licensee (collectively a "lessee") of the whole or any portion of the Mortgaged Property pursuant to a Lease the representation set out in paragraph 4.1 above shall be deemed not to include the words "in fee simple", and:

- (a) you hereby demise, sub-lease and mortgage Your Interest and the Lease to us, by way of a sub-lease, except for the last day of the term of the Lease (the "reversion") which is excepted out of the Charge created by this Mortgage but which shall be deemed to be held by you in Trust for us to be assigned or disposed of as we or anyone claiming through us may direct, and we shall have power on any realization to appoint a new person as Trustee of the reversion;
- (b) if the Lease cannot be effectively charged without consent, any Charge intended to be created by this Mortgage upon Your Interest in the Lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such Charge have been obtained or waived by all appropriate persons;
- (c) you represent to us that the Lease is valid and in good standing, in full force and effect and unsundered, you have the right to mortgage Your Interest and the Lease to us, all rents or other months payable under the Lease have been paid and all other obligations under the Lease, whether of you or your landlord, have been performed or complied with;
- (d) you will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by you under the Lease, including payment of rent;
- (e) you shall take no action or be guilty of any default which shall or may cause the Lease to be terminated or forfeited, or, without our prior written consent, surrender or give any notice which would have the effect of terminating, or permitting the termination of, the Lease;
- (f) you will promptly notify us in writing of any default or of any condition that with or without the passage of time or the giving of any notice might result in a default under, or the termination of, the Lease, and you will promptly cause a copy of each notice you receive under the Lease to be delivered to us;
- (g) in the event of any renewal, extension, replacement or substitution of the Lease being created, you will immediately so advise us, and provide us with particulars of the same and a true copy of the subject instrument, and when we request, you will execute such further instrument as we may require;
- (h) you will not during the continuance of this Mortgage, without our prior written consent, modify, alter or suffer or permit any modification or alteration of the Lease and any such altered or modified Lease shall be charged by this Mortgage;
- (i) you will promptly obtain from the lessor under the Lease and deliver to us, a certificate stating that the Lease is in full force and effect, is unmodified or modified as the case may be, that no notice of termination thereon has been served on you thereunder, stating the date to which the rent has been paid and stating whether or not there are any defaults thereunder and specifying the nature of such defaults, if any;
- (j) you shall not consent to the subordination of the Lease to any mortgage of the interest of the lessor (or leasehold interest of the sub-lessor) thereof in the Mortgaged Property;
- (k) you will at the proper time and times take such proceedings, and make, do and execute such acts, deeds, matters and things as may be requisite for obtaining a renewal of the Lease; and

- (f) you will hold the reversion and any renewals, extensions, replacements or substitutions thereof in trust for us and you will assign and dispose of the same in such manner as we may direct by notice in writing.

9.2

Condominium. If Your Interest is comprised of one or more condominium units and their appurtenant common interests in a condominium corporation registered pursuant to the *Condominium Act* (Ontario):

- (a) you shall comply with, observe and perform all provisions of the *Condominium Act* and its regulations and the Declaration, the by-laws, the rules and the regulations of the condominium corporation (the "Condominium Corporation");
- (b) you shall pay, on or before the due date thereof, each and every common expense charge, assessment, contribution, expense, fine or levy made by or on behalf of the Condominium Corporation in respect of Your Interest;
- (c) you will forward to us within 10 days of our demand a certificate in any form required by the *Condominium Act* certifying that no monies are owing by you to the Condominium Corporation;
- (d) you will not, without our prior written consent:

- (i) assign any right, power, duty or obligation under the *Condominium Act* or the regulations created under it; or
- (ii) give possession of the condominium units hereby charged to any person on the basis of an agreement for the purchase of the condominium units by the occupier or on the basis of a lease, sub-lease or assignment of lease for a term of three years or more;

- (e) you hereby grant to us your power and right to vote and to consent conferred on you by or under the *Condominium Act* in respect of all matters in relation to which the *Condominium Act* allows or provides that we may vote and consent, such power and rights being hereby assigned, transferred and set over unto us, and in respect of all other matters, you hereby irrevocably appoint us as your proxy to attend, speak and vote and consent for and on your behalf but in our discretion at all meetings of the Condominium Corporation; provided we shall not be obliged to vote or consent or to protect Your Interest and shall not be liable to you in connection with any consequences of our exercise or failure to exercise such right to vote or consent and that if we, by our authorized representative, agent or proxy have not given due notice of our intent to vote or consent, are not present at any duly called meeting of the Condominium Corporation of which we have received written notice, you may exercise the right to vote or consent. Our right to vote and consent includes the right to vote for or against any matter, and the right to dissent. You agree that neither this clause nor anything done by virtue of it shall render us a mortgagee in possession;

- (f) at least five days prior to each general meeting of the Condominium Corporation, you shall deliver to us written notice of the meeting specifying the place, date, hour and purpose of the meeting;

- (g) you hereby authorize any of our officers to apply at any time and from time to time during the term of this Mortgage to the Condominium Corporation:

- (i) to have any bylaw for the time being in force governing the condominium units and their appurtenant common interests hereby mortgaged made available for inspection by such officer;
- (ii) for certification to us of the amount of any contribution determined as your contribution, the manner in which any contribution is payable, the extent to which you have paid any contribution and the amount of money expended by the Condominium Corporation on your behalf under the *Condominium Act* and not recovered by it; and
- (h) at our request, you will deliver to us copies of all notices, financial statements and other documents given by the Condominium Corporation to you.

9.3 **Vendor's Interest In Right to Purchase.** If Your Interest is the full fee simple subject to a right to purchase (in this clause called the "Right to Purchase"):

- (a) you transfer and assign to us absolutely all of your right, title and interest in and to the Right to Purchase and the monies now and hereafter owing thereunder, together with the full benefit of all powers and all covenants and provisions in the Right to Purchase, and full power and authority to use your name for enforcing

- (k) if you sell, transfer, convey, lease, assign, release, surrender or otherwise dispose of or part with possession of any of the Mortgaged Property or agree to do so; or
- (l) if you are in arrears of payment to any taxing authority;
- (m) if you cause or allow hazardous materials to be brought upon the Mortgaged Property or incorporated into any of your assets without our prior consent, or if you cause, permit or fail to remedy any environmental contamination upon, in or under the Mortgaged Property or fail to comply with any abatement or remediation order given by a responsible authority;
- (n) if you use any of the monies advanced hereunder for any purpose other than as declared to and agreed upon by us;
- (o) if we deem ourselves insecure or believe that the assets secured hereby are in danger of loss, damage or misuse; or
- (p) if there is a deemed Event of Default pursuant to this Mortgage.

11. ENFORCEMENT

11.1 **Enforcement.** Upon the occurrence of an Event of Default, at our option, our security will immediately become enforceable. To enforce and realize on the security created hereby we may take (or refrain from taking) any action permitted by law or in equity as we may deem expedient, including any of the following:

- (a) declare any or all of the Secured Obligations immediately due and payable;
- (b) enter upon, take possession of, occupy, use, preserve and protect Your Interest, with power to exclude you, your agents and employees therefrom;
- (c) maintain, repair, replace and complete Improvements in accordance with existing plans or otherwise as we, in our absolute discretion, may determine;
- (d) collect the Assigned Rents and other assets we hold as security for the Secured Obligations;
- (e) distraint for arrears of interest and for arrears of any other of the Secured Obligations in the same manner as if same were arrears of interest;

(f) provided that the Event of Default has continued for at least 15 days, on at least 35 days notice in writing, enter on and sell or lease the Mortgaged Property or any part thereof. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act* (Ontario). In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the Mortgaged Property, if occupied, or by placing it on the Mortgaged Property if unoccupied, or at our option, by mailing it in a registered letter addressed to you at your last known address, or by publishing it once in a newspaper published in the county or district in which the Mortgaged Property is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any other Secured Obligation or any part thereof and such default continues for two months after any payment falls due then we may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by us shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the Mortgaged Property may be sold by public auction or private contract, or partly one or partly the other, and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Mortgaged Property or by reason of non-payment or procuring payment of monies, secured by the Mortgage or otherwise, and secondly in payment of all amounts of principal and interest and other Secured Obligations owing under the Mortgage; and if any surplus shall remain after fully satisfying our claims as aforesaid same shall be paid as required by law. We may sell any of the Mortgaged Property on such terms as to credit and otherwise as shall appear to us most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which we shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of

the Mortgaged Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, we shall be bound to pay you only such monies as have been actually received from purchasers after the satisfaction of our claims and for any of said purposes may make and execute all agreements and assurances as we shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- (g) exercise any or all of your rights and remedies in respect of Your Interest;
- (h) as your agent, appoint by Instrument a Receiver of the Mortgaged Property and of all your properties, assets, effects and undertakings (collectively called the "Undertakings") related to or arising out of Your Interest (all of which are hereby charged and form part of the Mortgaged Property) with or without bond as we may determine, and in our absolute discretion and from time to time, remove any Receiver so appointed and appoint another in its stead, but we shall be under no liability for the remuneration, acts or omissions of the Receiver, its employees and agents;
- (i) commence proceedings in a court of competent jurisdiction for the appointment of a Receiver with such powers and duties (including the powers set out in paragraph 11.2) as the Court may see fit to confer by Order;
- (j)) exercise any other rights and remedies under this Mortgage; or
- (k) exercise any other right and power a Receiver could exercise.

We shall not be liable for any debts we contract during enforcement of this Mortgage, for damages to persons or property, salaries or non-fulfillment of contracts during any period when we take any action referred to above, for any misconduct, negligence or misfeasance by us, or any employee or agent of ours, and neither the provisions of this Mortgage nor the exercise of any of the powers provided in this Mortgage shall render us a mortgagee in possession, and we shall not be accountable except for the monies we actually receive. You waive any provision of law which may be waived which imposes any greater obligations on us than described above.

All reasonable costs, charges and expenses, including allowance for the time and services of any officer of the Mortgagee or other person appointed by it for the purposes of protecting, preserving, remedying, taking care of, leasing, collecting the rents of, or managing generally the Mortgaged Property, including any fine or penalty the Mortgagee is obliged to incur by reason of any statute, order or direction of competent authority, shall be forthwith payable to the Mortgagee, and shall be a charge upon the Mortgaged Property and shall bear interest at the Interest Rate set out in the Mortgage Form.

11.2

Receiver. A Receiver appointed pursuant to this Mortgage shall be your agent and not ours, and, to the extent permitted by law or its appointment, shall, in our discretion, have all of our rights and powers (including those under this Mortgage), including the power to:

- (a) take possession of and enter upon the Mortgaged Property which constitutes part of Your Interest and the Undertakings or any part thereof;
- (b) sell or lease or concur in selling or leasing the Mortgaged Property and the Undertakings or any part thereof;
- (c) make any arrangement or compromise which it shall think expedient;
- (d) carry on, or concur in the carrying on of, any development then in progress or otherwise contemplated by you with respect to the Mortgaged Property or your business relating to the Mortgaged Property and for such purposes from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of the Mortgaged Property and the Undertakings, such security may rank before or *pari passu* with or behind this Mortgage; and
- (e) commence, continue or defend proceedings in the name of the Receiver or in your name, which the Receiver considers necessary or advisable for the proper protection of the whole or any portion of Your Interest or the enforcement of this Mortgage.

We may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the proceeds of the receivership. The rights and powers conferred by this paragraph are in addition to and not in substitution for any right we may from time to time possess.

11.3 **Application of Proceeds.** Any money from time to time received by the Receiver shall, subject to the claims of creditors, if any, which are secured by any Charges ranking in priority to this Mortgage, be paid, subject to our direction otherwise, by it **Firstly**, in payment of all costs, charges, expenses of and incidental to the appointment of the Receiver and the exercise by it of all of any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by it, **Secondly**, in or towards payment to us of the amounts comprised in the Secured Obligation in such manner and order as we shall, in our absolute discretion, deem advisable, and **Thirdly**, any surplus shall be paid to you provided that in the event any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or any portion of the surplus as the Receiver deems appropriate in the circumstances.

11.4 **Appointment of Attorney.** You irrevocably appoint us or the Receiver, as the case may be, with full power of substitution, as your attorney for and in your name to do everything necessary or incidental to the exercise of any or all of the powers conferred on us or the Receiver, as the case may be, pursuant to this Mortgage.

12. OTHER RIGHTS

12.1 **No Liability to Advance.** None of the preparation, execution or registration of this Mortgage, nor any advance or re-advance of money under it, nor any course of conduct by us, obligates us to advance or re-advance any money, or extend time for payment of a Secured Obligation, all of which remain in our absolute discretion.

12.2 **Continuing Security.** This Mortgage shall be general and continuing security for the Secured Obligations and any ultimate unpaid balance thereof, including a current or running account. The Secured Obligations may be reduced to zero from time to time without affecting the continuing nature of this Mortgage as security for any Secured Obligations thereafter incurred. Without limiting the foregoing, no payment, observance, performance or satisfaction of the Secured Obligations, nor any ceasing by you to be indebted or liable to us, will be deemed a redemption or discharge of this Mortgage.

12.3 **Security in Addition.** The provisions of this Mortgage and the security of this Mortgage are in addition to, but not in substitution for, any other security now or hereafter held by us for the Secured Obligations or any part thereof. This Mortgage shall not in any way affect or prejudice any security now or hereafter held by us for the whole or any part of the Secured Obligations. Any act done or omitted to be done by us:

- (a) regarding any other securities held by us for the Secured Obligations or any part thereof shall not in any way affect or prejudice this Mortgage; or
- (b) regarding this Mortgage shall not in any way affect or prejudice any other securities held by us for the Secured Obligations or any part thereof.

12.4 **Multiple Securities.** The occurrence of an Event of Default under this Mortgage constitutes default under all other agreements and security held by us in relation to the Secured Obligations and default under such other agreements or security constitutes an Event of Default hereunder.

12.5 **Performance of Obligations.** If you fail to perform any of your obligations hereunder or fail, upon request, to give us proof of performance thereof, we may (but will not be obligated to) perform any or all of such obligations or cause them to be performed, without prejudice to our other rights and remedies.

12.6 **Indulgences.** We may grant extensions of time and other indulgences, take and give up security, accept compositions, compromise, make settlements, grant releases and discharges, refrain from registering or maintaining registration of Charges, and otherwise deal with you, other obligants to us, your other creditors, sureties and other persons and with Your Interest and other security, all as we see fit in our absolute discretion and without prejudice to your liability or our rights or remedies. You agree that you will not be released nor your liability in any way reduced because we have done, not done, or concurred in doing or not doing, anything whereby a surety would or might be released in whole or in part.

12.7 **Waiver.** We may waive any default hereunder provided that no such waiver, nor any failure to enforce at any time or from time to time any of our rights hereunder, shall be effective unless in writing or prejudice our rights in the event of any future default or breach.

12.8 **Remedies Cumulative.** We may in our sole discretion realize on various securities (including this Mortgage) and any parts thereof in any order that we consider advisable and no realization or exercise by us of any power or right under this Mortgage or other security shall in any way prejudice any further realization or exercise until all Secured

Obligations are satisfied. All rights and remedies available to us are cumulative and not restrictive of remedies at law and in equity and by statute.

- 12.9 **Application of Payments.** We may, both before and after default, apply all payments made in respect of the Secured Obligations from time to time, and any monies realized from any security held therefor, to such parts of the Secured Obligations (whether or not then due) as we see fit.

13. PRESERVATION OF MORTGAGE AND OTHER SECURITY

- 13.1 **No Dealing With Equity of Redemption.** No extension of time given by us to you, or anyone claiming under you, or any other dealing by us with the owner(s) of the equity of redemption of Your Interest, shall in any way affect or prejudice our rights or remedies against you or any other person liable either in whole or in part for the payment of or performance of the Secured Obligations.

- 13.2 **No Merger.** Neither this Mortgage nor anything contained herein shall operate so as to create any merger, rebate or discharge of any of your representations, obligations (including debts owing to us) or covenants to us under any Agreement, any amendment to it, or other document or security now or hereafter held by us from you or any other person, all of which survive the execution and delivery of this Mortgage and our advance of money. The taking of a judgement on any covenant herein shall not operate as a merger of this said covenant, or affect our right to receive any interest when due.

14. MISCELLANEOUS

- 14.1 **Payment.** We may require payment of the Secured Obligations at any place in Canada as we may direct.

- 14.2 **Strict Observance.** You will strictly observe and perform each your agreements set out herein.

- 14.3 **Further Assurances.** You will execute such documents and further assurances of Your Interest and take such action as we may require.

- 14.4 **No Representations.** We have not made and you do not rely on any representations, warranties, covenants, agreements, conditions or provisos, oral or otherwise, whether made by us or any person acting actually or ostensibly on our behalf, other than those contained in this Mortgage unless those representations, warranties, covenants, agreements, conditions and provisos are contained in a supplementary contact in writing duly executed by both you and us and expressed to be collateral to this Mortgage.

- 14.5 **Assignment.** You will not assign any of your rights or obligations under this Mortgage, and no such purported assignment shall be effective, without our prior written consent, which may be arbitrarily withheld.

- 14.6 **Notice.** Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the address of such party provided on the Mortgage Form or at such other address as may be given in writing by one party to the others, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery. Delivery by fax transmission is deemed to be received on the day of transmission.

- 14.7 **Modification.** No amendment of this Mortgage will be effective unless signed by all parties to this Mortgage.

- 14.8 **Exclusion of Statutory Covenants.** The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* (Ontario) as amended or re-enacted are excluded from this Mortgage.

END OF DOCUMENT

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Reg No. 20011 Date

**STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE**

Filing No. 20012 Cote
Filing Date Apr. 1 24 2001 Date de Dépôt
Page 1 of 10 9 Pages

1
Form 1
Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed By: Prosperity One Credit Union Limited

San Veith
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

The following set of Standard Charge Terms shall be deemed to be included in every Charge in which the set is referred to by its filing number, as provided in Section 9 of the Act.

1. **Definitions**

(1) In the Charge and the Standard Charge Terms,

(a) "Borrower" means each chargor named in the Charge and each customer of the Lender whose indebtedness is, or is intended to be, secured by the Charge and includes the heirs, executors, administrators, personal representatives, successors and permitted assigns of the Borrower;

(b) "Charge" means the charge or mortgage of Property, as the case may be, made under the Land Registration Reform Act, granted by the Borrower to the Lender, and in which a reference is made to these Standard Charge Terms;

(c) "Costs" includes all fees, costs, charges and expenses of the Borrower incurred in connection with or otherwise incidental to,

(i) the preparation, execution and registration of the Charge and any other instruments or security agreements collateral to the Charge or related to any transaction to which the Charge relates,

(ii) the collection, enforcement and realization of the security on the Property provided for in the Charge and of any collateral security held with respect thereto, including the legal and other costs of foreclosure, power of sale or execution proceedings, whether commenced by the Borrower or by another person with respect to the Property secured by the Charge,

(iii) the procurement of payment of the indebtedness secured by the Charge, whether by way of court action, other legal process or otherwise,

(iv) any inspection or appraisal of the Property and all Legal Costs relating to the examination of the title of the Property,

(v) any repairs required to be made to the Property, or that in the reasonable opinion of the Borrower, are advisable, in connection with the realization of the security in the Property,

(vi) the Borrower taking possession of the Property,

(vii) the Borrower securing, completing or equipping any building, structure or thing on the Property,

(viii) the renewal of any leasehold interest in the Property by the Borrower,

(ix) any common Expenses paid by the Lender on behalf of the Borrower,

(x) any premium relating to any liability, fire, title or other insurance on the Property or any part of the Property,

(xi) the defence of the interest of the Borrower in the Property against the claims of other persons, including any amount paid by the Borrower in compromise of any such claim or to pay any Taxes to which the Property is subject or to redeem or discharge any encumbrance on the Property, whether or not ranking in priority to the Charge.

"Credit Union" means Prosperity One Credit Union Limited;

(d) "Fixtures" includes all furnaces, boilers, oil burners, stokers, water heaters, electric light fixtures, screen and storm doors, windows, doors, above ground or in-ground swimming pools, satellite broadcast receiving equipment air conditioning, plumbing, cooling, and heating equipment, and all apparatus and equipment appurtenant to or enjoyed with the Property;

(f) "Indebtedness" means all money and liabilities, whether matured or not, secured or unsecured, present or future, direct or indirect, absolute or contingent, arising from advances made directly to the Borrower, or from payments made to third parties for the benefit of or at the request or direction of the Borrower or any other person designated by the Borrower in writing, or from payments made by the Lender under any guarantee, letter of credit or indemnity in respect of the Borrower, or arising from advances upon overdrawn accounts, cheques, drafts or other bills of exchange, promissory notes or other negotiable obligations discounted or accepted for the Borrower or other instruments representing money or liabilities and however incurred from or by the Borrower, as principal or surety, alone or jointly with any other person, and in whatever name, style or firm;

"Interest" includes compound interest;

(g) "Interest Rate" means the interest rate set out in the Charge or in a Schedule thereto;

(h) "Lease" includes any renewal of a lease or any new lease substituted for an existing Lease;

(i) "Legal Costs" means legal costs on a solicitor and client basis;

(j) "Lender" means the chargee named in the Charge and the heirs, executors, administrators, successors and assigns of such chargee;

(k) "Principal Amount" means the principal amount set out in the Charge in lawful money of Canada;

(l) "Property" means the full estate or interest of the Borrower in the Property included in the Property Identifier(s) contained in the Charge, and, where applicable, as described in the Charge or in a schedule to the Charge, and includes all existing and future Fixtures and improvements to the Property; and all profits-a-prendre, easements, licenses, rights-of-way and other rights enjoyed with the Property;

(n) "Spouse" means the spouse of the Borrower;

(o) "Standard Charge Terms" means these standard charge terms and includes these standard charge terms as amended from time to time by an agreement in writing between the parties;

(p) "Taxes" means all taxes, rates and assessments of any school board or municipal, regional, Provincial or Federal Government or agency that are or may become a charge upon the Property.

(2) In this Charge,

(a) a word importing the masculine, feminine or neuter gender only includes members of the other gender;

(b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;

(c) a reference to any Act or regulation or to a provision thereof shall be deemed to include a reference to any Act, regulation or provision enacted in substitution thereof or amendment thereof; and

(d) the headings to each section are inserted for convenience of reference only and do not form part of the Standard Charge Terms.

(3) Where the Property is a condominium unit, the following additional definitions apply,

(a) "Condominium Corporation" means the Condominium Corporation created by the registration and description relating thereto of which the Property constitutes a part;

(b) "Common Expenses" means the expenses of the performance of the objects and duties of the Condominium Corporation and any expenses as are from time to time specified as common expenses in the Condominium Act (Ontario) or in the Declaration of the Condominium Corporation;

(c) "Declaration" means the Declaration which, together with a description, was registered under the Condominium Act to create a Condominium Corporation;

(d) "the Act" means the Condominium Act, as from time to time amended or replaced, in force in the Province of Ontario.

2. **Charge of Property**

- (1) The Borrower,
 (a) if the property is a freehold estate, hereby Charges the Property to the Lender, or
 (b) if the Property is a leasehold interest, hereby charges and subleases the Property to the Lender for and during the unexpired residue of the term of the Lease, except the last day thereof, and all other estate, term, right of renewal or other interest of the Borrower in the Lease,
 to secure the repayment of the Indebtedness, together with all costs and interest at the Interest Rate, and to secure the performance of all obligations of the Borrower under this Charge.
- (2) Each and every part or lot into which the Property is or may at any time be divided stands charged to the full extent of the amount provided in subsection (1).
- (3) The Borrower grants this Charge as a continuing collateral security for the payment to the Borrower,
 (a) on demand of the Indebtedness, despite any change in the nature or form, or the repayment and readvance from time to time, of the whole or any part of the Indebtedness, or the renewal, exchange or substitution of any promissory note, bill of exchange or other instrument evidencing the whole or any portion of the Indebtedness, but the security hereby granted shall be limited to the aggregate of the Principal Amount plus Costs and Interest at the Interest Rate;
 (b) of all costs required to be paid by the Borrower under the terms of this Charge;
 (c) of all interest at the Interest Rate on the Indebtedness and on all Costs.
- (4) The Borrower releases to the Lender all its claims upon the Property until the Borrower has repaid the Indebtedness and performed all the obligations of the Borrower in the manner provided in the Charge.
- (5) Where, in the reasonable opinion of the Lender, the Borrower or anyone claiming under the Borrower fails or refuses to keep the Property in good condition and repair or commits any act of waste on the Property or does anything by reason of which, in the reasonable opinion of the Borrower, the value of the Property may be diminished, the Lender may, but shall not be obliged to, enter upon the property and make such repairs as are necessary to restore the property to good condition, and the Costs thereof shall be paid by the Borrower to the Lender and shall be deemed to be a Cost secured by this Charge.
- (6) Where the Borrower fails or refuses to insure the Property as required under these Standard Charge Terms, the Lender may so insure the Property, and the Costs thereof shall be paid by the Borrower to the Lender and shall be deemed to be a Cost secured by this Charge.
- (7) Where the Borrower fails or refuses to pay any Tax when it becomes due, the Lender may pay the amount due (and, where applicable, may deduct that amount from any advance to be made under the Charge), and in connection therewith may make any election required or permitted by law to be made by a taxpayer, and the amount so paid shall be payable forthwith by the Borrower to the Lender and shall be deemed to be a Cost secured by this Charge.
- (8) Where the Borrower fails at any time for a period of forty-five days to carry on diligently the construction of any building or buildings being erected upon the Property or departs in construction from any plans and specifications thereof which must be approved by the Lender or departs from generally accepted standards of construction in the locality in which the Property is situate or departs from the requirements of any applicable building code, the Lender may enter upon the Property and have exclusive possession thereof and of all materials, plant, gear and equipment thereof, free from interference by the Borrower in order to complete the construction of the building or buildings either according to the plans or specifications approved by the Lender or otherwise, and all Costs incurred in connection therewith shall be paid by the Borrower and shall be deemed to be a Cost secured by this Charge.
- (9) Where the Property is a leasehold interest and the Borrower fails or refuses to renew the Lease, then the Lender may effect such renewals in its own name or otherwise, and every renewal of the lease shall be charged to the Lender as security for the repayment of the Indebtedness and the performance of the other obligations of the Borrower under the Charge.

3. Fixed Interest Rate (Calculated Half-Yearly)

Only that one of paragraphs 3, 4 or 5 as is designated in a Schedule attached to the Charge will apply to your Charge. If no designation is made by a Schedule then paragraph 5 will apply to your Charge.

The interest Rate payable by the Borrower is as set out in Box 9(b) of the Charge. In the event that no Interest Rate is set out in Box 9(b) of the Charge this paragraph will not apply to the Charge and the Interest Rate payable by the Borrower will be determined in accordance with paragraph 5 below. Interest is payable monthly and calculated half-yearly not in advance. The first half-yearly calculation of interest shall be for the six month period commencing on the Interest Adjustment Date referred to in Box 9(d) of the Charge. The calculation will be made six months after the Interest Adjustment Date and, after that, every six months. Interest is payable on the amount of the Indebtedness at this rate both before and after the Balance Due Date as set out in Box 9(i) of the Charge, default and judgment until the Indebtedness has been fully paid.

4. Fixed Interest Rate (Calculated Monthly)

Only that one of paragraphs 3, 4 or 5 as is designated in a Schedule attached to the Charge will apply to your Charge. If no designation is made by a Schedule then paragraph 5 will apply to your Charge.

The interest Rate payable by the Borrower is as set out in Box 9(b) of the Charge. In the event that no Interest Rate is set out in Box 9(b) of the Charge this paragraph will not apply to the Charge and the Interest Rate payable by the Borrower will be determined in accordance with paragraph 5 below. Interest is calculated and payable monthly not in advance. The first monthly calculation of interest shall be for the one month period commencing on the Interest Adjustment Date and, referred to in Box 9(d) of the Charge. The calculation will be made one month after the Interest Adjustment Date and, after that, every one month. Interest is payable on the amount of the Indebtedness at this rate both before and after the Balance Due Date as set out in Box 9(i) of the Charge, default and judgment until the Indebtedness has been fully paid.

5. Variable Interest Rate (Calculated Monthly)

Only that one of paragraphs 3, 4 or 5 as is designated in a Schedule attached to the Charge will apply to your Charge. If no designation is made by a Schedule then paragraph 5 will apply to your Charge.

- (1) The interest rate payable by the Borrower is as set out in Box 9(b) of the Charge or as set out in a Schedule to the Charge if no interest rate is designated in Box 9(b) and is a variable rate per annum equal to the Credit Union's Prime Rate as declared by the Credit Union from time to time ("the Prime Rate") plus a certain number of percentage points per annum as referred to in Box 9(b) of the charge or in a Schedule to the Charge. Interest is payable and calculated not in advance and is payable on the Indebtedness both before and after the Balance Due Date referred to in Box 9(i) of the Charge. default and judgment until the Indebtedness has been fully paid. In the event that it may be necessary at any time for the Credit Union to prove the Prime Rate applicable as at any time or times the Borrower agrees that the certificate in writing of the Chief Executive Officer, the Vice-President Finance, the Treasurer or a Branch Manager of the Credit Union setting forth the Prime Rate as at any time or times shall be conclusive evidence as to the said Prime Rate as set forth in such certificate.

The interest rate will vary automatically without notice to the Borrower each time there is a change in the Prime Rate. The interest payable on the indebtedness will always be the Prime Rate plus the number of percentage points per annum referred to in Box 9(b) of the Charge or in a Schedule to the Charge payable and calculated monthly not in advance. At any particular time, the interest rate then chargeable under the Charge is called the "Current Rate".

The Prime Rate and the Current Rate payable on the Indebtedness, as referred to in Box 9(b) of the Charge or in a Schedule to the Charge remain in effect until varied. After each change in the Prime Rate, the Lender may mail to the Borrower, at his last known address according to the Lender's records, a statement of the changed Prime Rate, its STANDARD CHARGE TERMS

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effective date, the Current Rate payable on the Indebtedness and its equivalent calculated half-yearly not in advance. Any failure by the Lender to mail such statement or the fact that the Borrower may not receive it will not prevent the variation of the interest rate payable on the Indebtedness to the Current Rate.

The Prime Rate in effect at any particular time is available at any branch of the Credit Union in the Regional Municipality of Halton in the Province of Ontario, and will be posted from time to time at each of said branches.

- (2) If the amount of interest that has accrued on the principal amount of the Indebtedness, from one monthly payment date to the next exceeds the amount of the monthly payment, then the excess, called deferred interest, shall bear interest from and including such monthly payment date at the Current Rate.

All interest which has accrued on deferred interest during the previous month shall, on the first day of each following month, be added to and become deferred interest and shall itself bear interest from and including the next monthly payment date at the Current Rate.

6. Compound Interest

If you do not pay the monthly or other payments as required by the Charge, the Lender will add any arrears, including arrears of interest, to the then outstanding principal amount and add interest, at the rate required by the Charge, compounded half-yearly where paragraph 3 applies and monthly where paragraphs 4 or 5 apply, before and after the Balance Due Date (referred to in Box 9(i) of the Charge), default and judgment on all such arrears, and this additional interest will be payable by the Borrower immediately when demanded by the Lender both before and after the Balance Due Date (referred to in Box 9(i) of the Charge), default and judgment.

7. Covenants and Warranties of the Borrower

- (1) The Borrower covenants with the Lender that the Borrower shall

- (a) pay the indebtedness, together with all Costs and Interest thereon at the Interest Rate on demand, and shall observe all provisos, conditions and agreements set out in this Charge;
 - (b) upon default by the Borrower, allow and deliver to the Lender quiet possession of the Property free from all encumbrances save and except prior registered encumbrances which have been disclosed to the Lender prior to the date of the execution of the Charge;
 - (c) at the Borrower's expense, take such steps, do such acts, and execute such other documents and provide such further assurances as the Lender may reasonably require in connection with the delivery of this Charge and in particular in order to give effect to the security hereby created;
 - (d) not grant or permit to subsist any lien, charge or other encumbrance upon the whole or any part of the Property, except with the prior written consent of the Lender, such consent not to be unreasonably withheld;
 - (e) insure the Property under an insurance policy issued by a licensed insurance company approved by the Lender, and keep it so insured to its full insurable value against loss or damage by fire and, as the Lender may require, against loss or damage by tempest, tornado, cyclone, lightning and other risks or hazards, and to include where appropriate, loss of rental or business income, and to forthwith assign, transfer and deliver to the Lender the policy or policies of such insurance and the receipts therefor, provided that:
 - (i) where the Borrower neglects to keep the Property or any part of it insured as aforesaid or to deliver to the Lender the policy or policies of such insurance and the receipts therefor or to produce to the Lender at least ten days before the termination of any such insurance, evidence of renewal thereof, the Lender may (but shall not be obliged to) insure the Property or any part of it; and
 - (ii) on all such policies (except in respect of Property specifically charged to such other lenders as may be permitted) indemnity shall be payable first to the Lender as its interest shall appear, and
 - (iii) all policies of insurance shall contain the standard mortgage clause approved by the Insurance Bureau of Canada from time to time, and shall provide that the policy shall, with respect to the Lender, remain in force despite any act, neglect, omission or misrepresentation attributable to the Borrower, or the owner or occupant of the property insured, and shall not be affected by the transfer of any interest in the property, nor by any vacancy or non-occupation, nor by the occupation of the property for purposes more hazardous than specified in the description of the risk;
 - (f) provide the Lender with evidence satisfactory to the Lender of the renewal or replacement of any policy of insurance required under these Standard Charge Terms, that evidence to be provided at least 30 days prior to the expiration of the then current policy;
 - (g) pay all Taxes on or before the date on which they become due and payable and provide to the Lender on or before December 31st in each year duly receipted tax bills or official receipts evidencing payment;
 - (h) keep the Property in good condition and repair, and where the Lender deems it necessary the Lender may enter upon and inspect the Property in order to determine whether the Property is in good condition and repair, and the Borrower shall pay the Costs associated therewith;
 - (i) notify the Lender promptly of,
 - (i) any change in the information contained herein or in the schedules hereto relating to the Borrower, its business or the Property,
 - (ii) the cancellation of any insurance policy relating to the property,
 - (iii) the details of any claims or litigation affecting the Property,
 - (iv) any loss or damage to the property,
 - (v) any material adverse change in the financial or other condition of the Borrower, which affects or is likely to affect the ability of the Borrower to perform its obligations in relation to this Charge or in respect of any relevant indebtedness,
 - (j) not sell, transfer or otherwise dispose of the Property or any portion thereof or any interest therein, except with the prior written consent of the Lender, failing which the Indebtedness secured by the Charge will immediately become due and payable without further demand.
- (2) Where the Property is Freehold, the Borrower covenants that,
- (a) upon request by the Lender, the Borrower shall provide as additional security, an assignment of any present or future Lease which may be granted by the Borrower as to the whole or any portion of the Property, and shall deliver to the Lender a copy of all such leases;
 - (b) where the Borrower leases the Property to another person, the Borrower will perform and comply with all the lessor's obligations contained in the Lease;
 - (c) none of the rights or remedies of the Lender shall be suspended, delayed or in any other way hindered or affected despite any Lease of the Property by the Borrower.
- (3) Where the Property is leasehold, the Borrower covenants that the Borrower shall,
- (a) not amend, surrender or modify the Lease without the written consent of the Lender and shall pay the rent reserved by the Lease and perform and observe all covenants, provisos and conditions contained in the Lease that are to be performed or observed by the Borrower;
 - (b) indemnify the Lender against all actions, claims and demands whatsoever in respect of the rent reserved by the Lease or the performance of covenants, provisos and conditions contained in the Lease;
 - (c) stand possessed of the Property for the last day of the term or any renewal term granted by the Lease in trust for the Lender, and will assign and dispose thereof as the Lender may direct, but subject to the same right of redemption and other rights as the Lender is entitled under this Charge with respect to the derivative term hereby granted.
- (4) Where the Property is freehold, the Borrower warrants that the Borrower,
- (a) has a good title to the Property in fee simple save and except prior registered encumbrances or deficiencies which have been disclosed to and accepted by the Lender in writing prior to the date of the execution of the Charge;
- (5) Where the Property is leasehold, the Borrower warrants that,

- (a) the Borrower has a good leasehold title to the Property under a valid and subsisting Lease in good standing which has not been surrendered, forfeited, amended or become void or voidable, and the rents and covenants reserved in the Lease have been duly paid and performed by the Borrower;
- (b) the borrower has the right to charge and sublet the property to the Lender in the manner provided for in the Charge and has obtained all required consents from the landlord to the granting of the Charge;
- (c) neither the Borrower nor any other person has made, done, committed or suffered any act that would encumber or result in the encumbrance of the Property.

(6) Where the Property is a condominium unit, in addition to all other provisions of the Charge, the Borrower will comply with this paragraph 7(6) but will not be obligated to comply with paragraph 7(1)(e). Where this paragraph 7(6) applies the Borrower will:

- (a) comply with the Act and with the Declaration, By-Laws, Rules and Regulations of the Condominium Corporation as they exist from time to time;
- (b) pay all amounts required by the Act and by the Declaration and By-Laws of the Condominium Corporation on or before they are due and, if so requested by the Lender, provide to the Lender proof that the Borrower has done so. In particular, the Borrower will pay Common Expenses. If the Borrower does not make any payment which the Borrower is obligated to pay, the Lender may make such payment on behalf of the Borrower and hold the Borrower in default under the Charge;
- (c) deliver to the Lender a copy of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of the Lender to consent to any matter, and every other communication relating to the condominium unit or the common elements of the Condominium Corporation such that the Lender receive them at least five days before any claim or demand is payable or, in the case of other communication, within five days of the date of receipt of same by the Borrower;
- (d) the Borrower authorizes the Lender, in the name of and on behalf of the Borrower, and whether or not the Borrower is in default, to exercise the Borrower's rights under the Act to vote at any meeting of the Condominium Corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the Condominium Corporation or the termination of the application of the Act to the Condominium Corporation;
- (e) the Lender is not obligated to exercise its rights to vote or consent on behalf of the Borrower and, if the Lender chooses not to do so, the Lender may (but is not obligated to do so) notify the Condominium Corporation, in which event the Borrower may exercise such vote or grant such consent. The determination by the Lender not to vote or consent on behalf of the Borrower may be for a limited period of time or for a specific meeting or matter. In the event that the Lender does vote or consent for the Borrower, the Lender does not then become a chargee in possession and is not responsible to protect the interests of the Borrower and will not incur any obligation whatsoever to the Borrower for the manner in which the Lender votes or gives consent or fails to do so;
- (f) at the sole option of the Lender, the loan amount will become payable immediately if:
 - (i) government of the property of the Condominium Corporation under the Act is terminated;
 - (ii) a vote of the unit owners authorizes the sale of the property of the Condominium Corporation or of a part of its common elements;
 - (iii) the Condominium Corporation fails to comply with the Act, Declaration, By-Laws or Rules and Regulations;
 - (iv) the Condominium Corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;
 - (v) the Condominium Corporation fails, in the sole opinion of the Lender, to manage the Condominium property and assets in a careful way or to maintain its assets in good repair.
- (g) Under the Act, the Condominium Corporation must obtain appropriate insurance. In addition the Borrower must insure all improvements which at any time have been made to the Borrower's unit and, as well, against such additional risks as the Lender may require. The insurance company or companies must be approved by the Lender. If so requested by the Lender, the Borrower will provide to the Lender certified copies of every insurance policy and, not less than thirty days prior to the expiration of the then current policy, evidence of its renewal. In the event that any loss or damage occurs, the Borrower will forthwith, at Borrower's expense, do such acts and execute such documents as may be necessary to enable the Lender to obtain payment of the insurance proceeds. The proceeds of insurance may, in the sole discretion of the Lender and subject to the requirements of law, be applied in whole or in part to repair the damage to the Property, be paid to the Borrower or be applied to reduce any part of the indebtedness whether or not yet due. Notwithstanding the foregoing, it is acknowledged that the obligation to insure may be performed by the Condominium Corporation and the proceeds of insurance may be payable in accordance with the Declaration and the By-Laws of the Condominium Corporation. The Borrower covenants that, immediately upon the occurrence of a loss or damage the Borrower will fully comply with the terms of all insurance policies and with the insurance provisions of the Declaration and By-Laws. In addition, as a member of the Condominium Corporation, the Borrower will insist that the Condominium Corporation fully comply with all such terms.

8. Defeasance

- (a) The provisions relating to defeasance contained in Section 6(2) of the Land Registration Reform Act, R.S.O. 1990, c.L4, shall be and are hereby expressly excluded from the terms of the Charge.

(b) Where the Borrower,

- (i) finally and fully pays or causes to be paid to the Lender the indebtedness together with all Costs and interest thereon at the Interest Rate;
 - (ii) terminates, in accordance with the terms thereof, any lending or other credit agreement between the Borrower and the Lender providing for the advance of funds to or to the order of the Borrower, whether or not that agreement provides for such advances to be made on a revolving basis or otherwise;
 - (iii) pays in full the amount of any guarantee given by the Borrower to the Lender in respect of the debt, default or miscarriage of any other person; and
 - (iv) observes and performs the terms of this Charge and all other agreements to which it relates,
- then this Charge and the rights hereby granted shall cease and be void and thereupon the Lender shall, at the request and at the expense of the Borrower, cancel and discharge the security of this Charge and execute and deliver to the Borrower, or to his, her or its heirs, successors and assigns, such deeds or other instruments as shall be requisite to cancel and discharge the security hereby constituted.

9. Quiet Possession

Until such time as the Borrower defaults under the terms of this Charge, the Borrower shall have quiet possession of the Property.

10. Remedies on Default

- (1) Subject to subsection (2), upon any breach by the Borrower of any of the provisions contained in this Charge (including the breach of any covenant) or upon the occurrence any of the other acts or events of default described in clauses (a) to (i) below, or the contravention of any condition required to be observed or performed by the Borrower under the terms of any agreement between the Lender and the Borrower, including any letter of commitment given by the Lender and accepted by the Borrower, granting, renewing or extending any present or future credit facility provided by the Lender to the Borrower, all amounts advanced to the Borrower by the Lender that are secured by this Charge, whether on a term or demand basis, and all interest and all other amounts that are secured by this Charge shall become immediately payable without demand and the Charge granted by this Charge shall be come enforceable:

- (a) where the borrower is a corporation and any formal or informal proceeding for the dissolution of, liquidation of, or winding up of, the affairs of the Borrower is instituted by or against the Borrower, or where a resolution is passed or any other act undertaken for the winding up of the Borrower;
- (b) where proceedings are taken to enforce any other encumbrance on the whole or any part of the Property;
- (c) where the Borrower is a corporation, partnership or sole proprietorship, and the Borrower ceases or threatens to cease to carry on its business, or where the Borrower makes or agrees to make a Bulk sale of the whole or any part of the Property, within the meaning of the Bulk Sales Act (Ontario);
- (d) where the Borrower creates or suffers or permits to be created or levied upon the whole or any part of the Property, a charge, lien, encumbrance, execution, sequestration, extent or other process of any court, or any distress or analogous process, or a floating charge on any of the Property is about to become fixed;
- (e) where the Borrower permits any sum, which has been admitted as due by the Borrower or is not disputed to be due by the Borrower and which forms or is capable of being made a charge upon any of the Property in priority to the charge created by this Charge, to remain unpaid after proceedings have been taken to enforce the collection of that sum;
- (f) where a receiver, curator, liquidator, manager or trustee is appointed in respect of the Property or any part of the Property by a court of competent jurisdiction or under an agreement;
- (g) where the Borrower defaults in payment of any indebtedness or liability to a Bank or other lending institution, whether secured or not;
- (h) where the Borrower defaults in compliance with any provision of an agreement or other document under which the Borrower claims title to or an interest in any of the Property;
- (i) where the Borrower is a corporation and it takes any action to bring about amalgamation, consolidation or merger with or into another corporation without the prior written consent of the Lender;
- (j) where the Borrower is adjudged bankrupt or becomes insolvent, or a petition in bankruptcy is filed against the Borrower, or where the Borrower makes an assignment for the general benefit of creditors or applies for relief under the Companies Creditors Arrangement Act, or where proceedings of any type are instituted in any jurisdiction in respect of the alleged insolvency or bankruptcy of the Borrower, and the Borrower is not contesting those proceedings in good faith;
- (k) where any certificate, statement, representation, warranty or audit report made in connection with this Charge or any other agreement between the Borrower and the Lender as an inducement to the Lender to enter into this or any other transaction, was false or misleading in any material respect at the time of its making, or where any material fact which ought to have been disclosed in the certificate, statement, representation, warranty or audit report was not disclosed, or where the Borrower shall fail to inform the Lender forthwith of any such material fact;
- (l) where on reasonable grounds the Lender believes that any of the events described in this subsection is about to occur or is likely to occur;
- (2) Where there is a breach by the Borrower of any of the provisions contained in this Charge (including the breach of any covenant) or an act or event of default specified in subsection (1) occurs, or there is a contravention of any condition required to be observed or performed by the Borrower under the terms of this Charge or under any letter of commitment given by the Lender and accepted by the borrower, granting, renewing or extending any present or future credit facility provided by the Lender to the Borrower, the Lender may waive the breach, contravention or default by written notice to that effect, whether given before or after the default, contravention or breach, and where the Lender gives such a waiver, the position of the parties and the status of the Property, shall be as if the breach or default had not occurred.
- (3) A waiver of a breach, contravention or default under subsection (2) shall not extend to or be taken in any manner whatsoever to affect any subsequent breach or default, whether similar or not, or the rights resulting therefrom.

Remedies Upon Default

11. Wherever the Charge becomes enforceable, the Lender may realize upon the Charge and enforce its rights against the Borrower, the Property or both by taking any or all of the following remedies:
- (a) entry into possession;
- (b) sale in accordance with subsection (6) below;
- (c) proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a receiver and manager) of all or any part of the Property;
- (d) proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Property;
- (e) filing of proofs of claim and other documents to establish its claim in any proceeding relative to the Borrower;
- (f) appointment by instrument in writing of a receiver or a receiver and manager of all or part of the Property and removal or replacement from time to time of any such receiver; and
- (g) any other remedy or proceeding authorized or permitted hereby or by law or equity.
- (2) In addition to any other remedy to which the Lender is entitled, where the Borrower defaults in the payment of an amount the payment of which is secured by this Charge, the Lender may distraint therefor upon the Property or any part thereof, and may recover by distress warrant as rent reserved, as in the case of a demise of land, any Principal or Interest that may be in arrears, together with all costs, charges and expenses connected with levying such distress.
- (3) Where the Lender distrains under subsection (2) above, the Borrower waives the right to claim exemption and agrees that the Lender shall not be limited to the amount for which it may distraint.
- (4) Where the property is a leasehold interest, the Borrower irrevocably appoints the Lender as the Borrower's attorney, to assign, lease and convey the Property and the last day of the term granted by the Lease, or any renewal thereof, and in particular, upon any sale by the Lender under a statutory power of sale or under the power of sale provided for in this Charge, to assign the Lease and convey the Property and reversion to the Purchaser, and where the Lender makes a sale under a statutory power of sale, the Borrower shall
- (a) stand seized and possessed of the Property for the last day of the term of the Lease and of all rights of renewal in trust for the Lender, the purchaser, and the heirs, executors, administrators, successors and assigns of the same; and
- (b) at the request of the Lender, but at the Borrower's cost, assign to the Lender or a person designated by the Lender the last day of the term of the Lease.
- (5) The remedies described in subsection (1), (2), (3) and (4) above may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Lender however created.
- (6) The Lender, on default by the Borrower in payment of the indebtedness or any part thereof in accordance with the obligations of the Borrower to the Lender or in default by the Borrower in the observing, performing, fulfilling or keeping of one or more of the covenants of the Borrower provided in the Charge, may enter into possession of the Property or of the lands and premises intended to be charged and to take the rents, issues and profits and, whether in or out of possession, make such lease or leases as the Lender shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the Mortgages Act, R.S.O. 1990, c.M.40, as it may be amended from time to time, may sell the Property or the lands and premises intended to be charged or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and either for cash or part cash and part credit, and may convey and assure the same when so sold to the purchaser or purchasers thereof, his or their heirs, successors or assigns, or as he or they shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purpose as aforesaid, and the Lender shall not be responsible for any

loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its or their willful neglect or default. In the event that the giving of such notice shall not be required by law or to the extent that such requirement shall not be applicable, the Borrower agrees that notice may be given by leaving it with a grown-up person on the Property, if occupied, or by placing it on some portion of the Property if unoccupied, or at the option of the Lender, by mailing it in a registered letter addressed to the Borrower at his last known address, or by publishing it once in a newspaper published in the region, county or district in which the Property is situate, and such notice shall be sufficient although not addressed to any person or persons by name or designation notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. And it is hereby further agreed that the proceeds of sale hereunder may be applied in payment of any cost, charges and expenses incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payment of monies secured by the Charge or otherwise, and that the Lender may sell all or any part of the Property on such terms as to credit and otherwise as shall appear to the Lender most advantageous and for such price as reasonably can be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and buy in or rescind or vary any contract for the sale of the whole or any part of the property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Lender shall be bound to pay to the Borrower only such money as has actually been received from purchasers after the satisfaction of the claims of the Lender and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damaged by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only; and the above powers may be exercised by the successors and assigns of the Lender and against the heirs, executors, administrators, successors and assigns of the Borrower. The Lender may sell fixtures, machinery, crops and standing or fallen trees apart from the property and the purchaser as well as the Lender shall have all necessary access for securing, cutting and removal. It is agreed between the Lender and the Borrower that nothing in this section shall prejudice or diminish any other rights and remedies and powers of the Lender hereunder or in the Charge contained or existing in law or in equity by virtue thereof.

And it is further agreed between the Lender and the Borrower that until such sale or lease shall be made as aforesaid, the Lender shall and will stand possessed of the rents and profits of the Property in case it shall take possession of it on default as aforesaid and after such sale or lease shall stand possessed of the money to arise and be produced from such sale, or which might arise from any insurance upon the Property or any part thereof upon trust, firstly: in payment of all the expenses arising in connection with the sales, leases, conveyances, or attempted sales, or leases; secondly: all costs, charges, damages and expenses of the Lender relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Lender may have paid relating to the property, including legal expenses actually incurred by the Lender for any of the purposes aforesaid; thirdly: in discharge of all interest and costs then due in respect of the Charge; fourthly: in discharge of the principal money secured by the Charge; fifthly: in payment of the subsequent encumbrances according to their priorities and the residue shall be paid to the Borrower or as the Borrower may direct in writing and the Lender shall also, in such event, at the request and expense of the Borrower, transfer, release and assure unto the Borrower or to such person or persons as the Borrower shall direct and appoint in writing, all such parts of the Property as shall remain unsold for the purpose as aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the Lender and the Borrower that, notwithstanding the Power of Sale and the other powers and provisions contained in the Charge, the Lender shall have and be entitled to its right to foreclosure of the fee, interest or equity of redemption of the Borrower in the Property as fully and as effectually as it might have exercised and enjoyed the same if the power of sale, and the other former provisos and trust incident thereto had not been herein contained.

- (7) No lack of or deficiency in a notice or any irregularity or impropriety of any kind shall invalidate any sale or disposition under this Charge.

12) Receiver and Manager

- (1) A receiver or receiver and manager appointed by instrument in writing under Section 7 above may:

- (a) receive all rents, royalties and profits relating to the Property and may take possession of, collect and get in all or any part of the Property and, for that purpose, may take proceedings in the name of the Borrower or otherwise and may make any arrangement or compromise;
- (b) from time to time and without any previous notice or demand and free of charge enter upon or into and occupy and use all or any of the Property occupied or used by the Borrower;
- (c) borrow or raise money on all or any part of the Property in priority to this Charge or otherwise for such purposes as may be approved by the Lender; and
- (d) sell or concur in selling all or any part of the Property without notice and in such manner as may seem advisable to the receiver, and to effect such sale by conveying in the name and on behalf of the Borrower or otherwise.

- (2) A receiver or receiver and manager may be vested with such other rights and powers of the Lender under this Charge and such other discretions and powers as are granted in the instrument of appointment and any supplement thereto.

- (3) A receiver or receiver and manager shall for all purposes be deemed to be the agent of the Borrower and not of the Lender, and the Borrower shall be solely responsible for his acts or defaults and for his remuneration, but the Lender may fix the remuneration of the receiver or receiver and manager and may direct the payment thereof from the proceeds collected.

- (4) The receiver or receiver and manager appointed hereunder shall not be liable to the Borrower to account for money other than money actually received by him in respect of the Property, or any part thereof, and any such money so received by such receiver or receiver and manager shall be applied as follows:

- (a) firstly, in discharge of all operating expenses with respect to the Property;
 - (b) secondly, in keeping in good standing all mortgages, charges and liens on the Property having priority over the Charge;
 - (c) thirdly, in payment of the remuneration and disbursements of the receiver or receiver and manager, and all other legal, receivership and consulting fees as actually incurred relating to collection and realization, and the payment of all levies, taxes, utility charges and liens that must be paid, satisfied or otherwise discharged in order to seize or realize the Property;
 - (d) fourthly, in payment to the Lender of the indebtedness, together with all Costs including legal costs as actually incurred and interest thereon at the interest rate;
 - (e) and the balance, if any, shall be paid to the Borrower or as otherwise required by law.
- (5) Save as to claims for an accounting for money actually received, the Borrower hereby releases and discharges any such receiver or receiver and manager from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Borrower or any person claiming through or under the Borrower by reason or as a result of anything done by such receiver or such receiver and manager unless such claim be the direct and proximate result of dishonesty or fraud.
- (6) The Lender may, at any time and from time to time, terminate any such receiver or receiver and manager by notice in writing to the Borrower and to any such receiver or receiver and manager.

- (7) The Statutory Declaration of an officer of the Lender as to default under the provisions of the Charge and as to the due appointment of the receiver or manager pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with the receiver or a receiver and manager who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.
- (8) The rights and powers conferred herein in respect of the receiver or receiver and manager are supplemental to and not in substitution of any other rights and powers that the Lender may have.

13. Other Securities and Rights of the Lender

- (1) In its sole discretion, the Lender may release from time to time any part of the Property or any other security or any surety for the indebtedness or any portion thereof, either with or without sufficient consideration therefor, and no such release shall affect the Lender's security with respect to any other part of the Property, any other security of the Lender for the indebtedness or the obligation of the Borrower to pay the Indebtedness.
- (2) This Charge is in addition to, and not in substitution for, any other security for the Indebtedness, and except where otherwise expressly agreed in writing, no security granted by the Borrower at any time after the execution of this Charge in respect of the whole or any part of the Indebtedness shall be construed as being in substitution for or as discharging, releasing or affecting this Charge.
- (3) This Charge shall not be construed to rebate or discharge any debt owed to the Lender, or as merging with any lien, bond, promissory note, bill of exchange, instrument or security now held or at any time in the future acquired by the Lender in respect of the Indebtedness or any part of the Indebtedness, nor shall the remedies of the Lender in respect thereof be in any way affected as a result of the grant of this Charge.
- (4) The Lender and the Borrower agree that the taking of a judgment or judgments on any of the covenants herein contained, including judgment for the amount of the Indebtedness, shall not operate as a merger of the said covenant or affect the Lender's right to interest at the Interest Rate and at the times provided by the Charge; and further that said judgment shall provide that interest thereon shall be computed at the Interest Rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.
- (5) No sale or other dealing by the Lender with the Property or any part thereof shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower or any other person liable for payment of the Indebtedness. Without limiting the generality of the foregoing, in the event that by the exercise of its remedies under the Charge the Lender realizes an amount which is not sufficient to discharge the Indebtedness in full, the Borrower shall remain liable to the Lender for the amount of such deficiency which amount shall be payable upon demand.
- (6) The terms of any lending agreement, guarantee or commitment letter between the Borrower and the Lender shall not merge with this Charge by reason of its execution or registration.

14. Appropriation of Payments

The Lender, in its sole discretion, may appropriate the whole or any part of a payment made by the Borrower to any part of the Indebtedness that is then due and payable, whether by reason of default or otherwise.

15. Default and Prior Charges

The Lender and the Borrower agree that should default be made by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage or charge to which the Charge is subject, then and in that event the Indebtedness secured hereby shall forthwith become due and be payable, at the option of the Lender, and all the powers including the powers of sale, in and by the Charge conferred shall become exercisable.

16. Inspection

The Lender through itself or its agent or employees may, at any time, enter upon the Property to inspect same and the reasonable cost of such inspection shall be added to the Indebtedness and shall bear interest at the Interest Rate, and shall, with such interest, be a Charge on the Property prior to all claims thereon subsequent to these presents and shall be payable forthwith on demand.

17. Extensions

Provided that no extension of time given by the Lender to the Borrower, or anyone claiming under the Borrower or any other dealing with the owner of the Property, shall in any way affect or prejudice the rights of the Lender against the Borrower or any other person liable for the payment of the Indebtedness hereby secured.

18. Place of Payment

The Lender and the Borrower agree that all payments on account of the Indebtedness shall be payable in lawful money of Canada and shall be made at the branch of the Lender designated in the Charge or at such other place as the Lender may designate in writing to the Borrower.

19. Spouses Consent

The spouse of the Borrower so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Property to the extent necessary go give effect to the rights of the Lender hereunder and agrees that the Lender may, without further notice, deal with the Property and the Indebtedness as the Lender may see fit.

20. Family Law Act

The Borrower covenants and agrees that:

- (a) he or she or the owner from time to time of the Property will advise and keep advised the Lender as to whether the Borrower or the owner from time to time is a spouse as defined in the Family Law Act, R.S.O. 1990, c.F3 as amended or replaced from time to time (the "FLA") and if so, the name of his spouse, and of any change in his spousal status or in the status of the Property as a matrimonial home within the meaning of the FLA, and
- (b) forthwith on request the Borrower will furnish the Lender with such evidence in connection with any of the matters referred to in clause (a) above as the Lender may from time to time require, including, without limitation, his and his spouse's name, address and birth date and his and his spouse's authorization to the Registrar under The Vital Statistics Act of the Province of Ontario to provide the Lender from time to time on request all information in its possession relative to any marriage, divorce or death of the Borrower or the Borrower's spouse, and, on default, the Indebtedness hereby secured shall forthwith become due and payable at the option of the Lender.

21. Severability of Any Invalid Provisions

The Borrower and the Lender agree that in the event that at any time any provision of the Charge is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, then such provision shall not apply to the

extent that it is so illegal, invalid or unenforceable to the intent that the balance of the Charge shall remain in full force and effect until payment of the Indebtedness in full.

22. Guarantor

If a party is named as a Guarantor in the Charge or a schedule thereto, then, it being a condition of the advance of the Indebtedness or any portion thereof to the Borrower that the covenant hereinafter set forth should be entered into by such party (the "Guarantor"), the Guarantor on behalf of himself, his executors, administrators, successors and assigns, in consideration of the advance of the whole or any part of the Indebtedness secured by the Charge, does hereby covenant, promise and agree as principal debtor and not as surety to and with the Lender, its successors and assigns, that he will well and truly pay, or cause to be paid unto the Lender, its successors and assigns, the Indebtedness and all other monies hereby secured together with interest upon the same at the days and times, and in the manner prescribed in the Charge, and shall and will in everything, well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements, and stipulations in the Charge particularly set forth, according to the true intent and meaning thereof, and shall and will abide by and submit to and does hereby agree to all conditions, provisos and stipulations in the Charge on the part of the Borrower set forth, and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the Interest Rate thereon, and if there is more than one Guarantor, shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Guarantors.

23. Lender Not Prejudiced By Failure to Enforce Rights

The Lender and the Borrower agree that no failure on the part of the Lender to enforce at any time or from time to time any of the rights of the Lender under the Charge or any other document evidencing the Indebtedness shall prejudice such rights or any other rights of the Lender; no waiver of performance or payment by the Lender in respect of any breach or default hereunder by the Borrower shall relieve the Borrower from any such breach or default hereunder; and no waiver at any time or from time to time of any such rights of the Lender shall prejudice such rights in the event of any future default or breach.

24. Farm Lands

If the Property charged includes farm lands, the Borrower will in each year during the currency of the Charge either put into crop or summerfallow in good, proper and husband-like manner every portion of the Property which has been or may hereafter be brought under cultivation, and will keep the Property clean and free from all noxious weeds and generally see that the Property does not depreciate in any way.

Where the Borrower is a Farming Corporation the Borrower covenants and agrees that in the event that:

- (a) the Borrower fails to supply to the Lender, in a form satisfactory to the Lender, such information relating to the ownership of its shares as the Lender may from time to time require; or
- (b) without the written consent of the Lender first had and obtained, the Borrower
 - (i) alters its letters patent or its memorandum or articles of association with respect to the capital structure of the Borrower
 - (ii) alters any rights that are attached to its shares, or
 - (iii) issues or redeems any of its shares or transfers any of its shares

all Indebtedness secured by the Charge shall forthwith become due and payable at the option of the Lender and the Lender's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

25. Compliance with the Law

The Borrower covenants and agrees at all times to promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Property or any portion thereof and the Borrower will from time to time, upon request of the Lender, provide to the Lender evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the Property, structural or otherwise, and will take all such actions as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

26. Lender's Expenses

The Borrower agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to this Charge, and to any and all other documents required in connection therewith, and of any amendment or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any monies payable hereunder including, without limiting the generality of the foregoing, all solicitors' fees actually incurred, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Lender thereon and all costs and expenses valuing the Property in connection with the foregoing. The Borrower further agrees that such amounts shall be paid forthwith upon demand and, until paid, shall be a cost the payment of which is secured by this Charge.

27. Assignment of Rents

(1) The Borrower assigns and sets over to the Lender all rents payable to the Borrower or for the Borrower's benefit from time to time under any lease of the whole or any part of the Property, whether existing or arising at any time in the future, together with the benefit of all covenants, agreements and provisos contained in the lease.

(2) Forthwith after making any lease of the whole or any part of the Property, the Borrower shall execute and deliver to the Lender on the Lender's usual form an assignment in registrable form of all rents payable under the lease, the benefit of all covenants, agreements and provisos contained in the lease as well as the reversion of the lease, and shall also execute and deliver to the Lender all such notices and other documents as may be required in order to perfect the assignment.

(3) Nothing in this Charge shall make the Lender responsible for the collection of rents payable under any lease or for the performance of any covenants, terms or conditions contained in any such lease.

(4) The Lender shall be liable to account only for rents actually received by it, less reasonable collection charges, and may apply any rents received to the repayment of the Indebtedness and Costs and Interest at the Interest Rate.

(5) The Lender shall not be construed as being a mortgagee in possession of the Property by reason of an assignment of rents provided for in this section.

(6) No lease of the whole or any part of the Property shall be deemed to have priority over the rights of the Lender under this Charge by reason only of this section.

(7) Upon request by the Lender, the Borrower shall,

- (a) assign to the Lender as additional security for the payment of the Indebtedness, any present or future lease of the whole or any part of the Property which may be granted by the Borrower; and
- (b) deliver to the Lender executed copies of all such leases.

but despite any such assignment, the Borrower shall perform and comply with all of the lessor's covenants under the terms of the leases, and the rights and remedies of the Lender shall not in any way be delayed or prejudiced by the assignment or by any act of the Borrower with respect thereto.

28. **No assignment of Rights or Obligations of Borrower**

No rights or obligations of the Borrower under this Charge may be assigned to any other person, except with the prior written consent of the Lender.

29. **Servicing Fees**

The Lender may charge, and the Borrower shall pay, the Lender's customary service fees with respect to the occurrence of any one or more of the following events, namely

- (a) payments by cheque or other instrument that is dishonoured for any reason;
- (b) failure to notify of the cancellation of insurance coverage or provide proof of insurance or the payment of Taxes as required by these Standard Charge Terms;
- (c) the arrangement by the Lender of insurance coverage required under these Standard Charge Terms;
- (d) requests for a statement of the amount owing under the Charge;
- (e) requests for a discharge of the Charge;
- (f) failure to maintain sufficient funds in any account at the Credit Union from which automatic payment has been directed or authorized;

and the amount of any such service fee shall be a Cost the payment of which is secured by this Charge.

30. **Urea Formaldehyde Foam Insulation**

The Borrower warrants that no buildings or structures on the Property have been insulated with a urea formaldehyde type of insulation and that to the best of the Borrower's knowledge, information and belief no such buildings or structures have been constructed with or upon any lands containing any radioactive, toxic or noxious material, and the Borrower covenants not to permit any such insulation or radioactive, toxic or noxious material to be used or brought upon the Property.

31. **Statutory Provisions Excluded**

The covenants set out in Subsection 7(1) of the Land Registration Reform Act, R.S.O. 1990, c.L.4, are excluded from this Charge.

32. **Interpretation**

The Borrower and the Lender agree and declare that the expression "the Borrower" used in these presents shall include the heirs, executors, administrators, successors and assigns of the Borrower and the expression "the Lender" shall include the successors and assigns of the Lender, and the words in the singular include the plural and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders where the context so requires, and that all covenants, liabilities, and obligations entered into or imposed hereunder upon the Borrower shall be equally binding upon his, her or their respective heirs, executors, successors, and assigns and that all such covenants, liabilities and obligations shall be joint and several, and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Lender shall be equally secured to and exercisable by its successors and assigns.

DATED at Milton, Ontario this 3rd, day of April, 2001.

PROSPERITY ONE CREDIT UNION LIMITED

Per: _____

Peter J. Buwaida
Chief Executive Officer

Per: _____

Michael I. Shepherd
Vice-President Finance

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 20013 Cote
Filing Date June 5, 2001 Date de Dépôt
Page 1 of 6 7 (Seven) Pages

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed By: Ontario New Home Warranty Program ("ONHWP")

DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.

Definitions

1. In this set of standard charge terms:
 - (a) "Act" means the *Land Registration Reform Act*, R.S.O. 1990 c. I.4 (as amended or replaced);
 - (b) "day" means a business day on which ONHWP is open for business but specifically excludes Saturdays, Sundays or statutory holidays pursuant to the laws of Ontario;
 - (c) "mortgage" or "charge," when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;
 - (d) "obligations" include (i) your obligation to pay ONHWP for any claim regarding homes covered by ONHWP; (ii) your obligation to pay ONHWP under any guarantee delivered by you to us regarding the obligations of any other party to ONHWP; and (iii) your obligation to reimburse us for any amount which we pay under this Charge;
 - (e) "secured amount" means the amount described in Box 4 of the mortgage;
 - (f) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.
 - (g) "we," "our" and "us" mean ONHWP, as chargee;
 - (h) "you," "your" and "chargor" mean the party that signs the mortgage as chargor(s);
 - (i) "your property" means the land described in Box 5 of the mortgage, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements.

Exclusion of Statutory Covenants

2. The implied covenants deemed to be included in the mortgage under section 7(1) of the Act are excluded from the mortgage.

Your General Responsibilities and Covenants

3. You covenant and agree to perform your obligations and to comply with all your covenants and responsibilities as set out in the mortgage. You covenant and agree to pay us interest on the obligations from the date on which each of the obligations arise until the payment thereof, before and after default, at the rate set out on the registered charge document.
4. You covenant and agree to charge your property to us to secure the performance of your obligations and you covenant and agree that this charge shall stand as a general and continuing security for the satisfaction of your obligations and will secure any final balance of the moneys secured by this charge. You covenant and agree to pay the obligations on demand as we direct.

5. You certify that you are the lawful owner of your property in fee simple and that you have the right, power and authority to give us the mortgage with the covenants and responsibilities that are in the mortgage.
6. You certify that you have not done anything or failed to do anything that has or could result in a lien, encumbrance or any other matter that affects your title to the whole or any part of your property, except as disclosed in the records of the applicable registry office. You also certify that there are no trusts, conditions, reservations or limitations affecting your title to your property, except as disclosed in the records of the applicable registry office. You covenant and agree that you will not grant any lien or encumbrance over the property to secure the payment or performance of an obligation owed to any other party.
7. You covenant and agree to, at your own expense, do anything else or sign any document which we may, in our sole opinion, think necessary to ensure to more effectively charge your interest in your property or secure the secured amount.
8. You covenant and agree to do anything necessary to preserve and protect your title to your property, and that you will not in any way do anything to defeat or interfere with the mortgage or our interest in your property.

Environmental Covenants

9. You certify that no part of your property or any neighbouring land is, has ever been or will in the future be used to make, handle, store, transfer, package, dispose of or deal with any hazardous substances except in compliance with all applicable laws, regulations and orders. You further certify that no part of your property or any neighbouring lands is contaminated or contains, has ever been contaminated or contained or will in the future be contaminated or contain any hazardous substance, which may lower the value of, restrict the use or future use of, or adversely affect the marketability of your property.
10. You covenant and agree that we may require you, at your expense, to obtain an environmental audit or assessment of all or any part of your property, and that the environmental audit or assessment shall be done by persons and in a form satisfactory to us. In any event, such environmental audit or assessment shall not relieve you of your environmental responsibilities to us.
11. If we have reason to believe that the property is not in compliance or conforming with any law or regulation respecting the environment, you covenant and agree that we or our agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, audit, assessment, investigation or study, intrusive or otherwise, which we consider necessary. We and/or our agents will not become a mortgagee in possession, or be in management or control of the property by exercising these rights. You covenant and agree to immediately reimburse us for the reasonable cost of this testing, audit, assessment, investigation or study, with interest at the mortgage rate. You covenant and agree that payment of such costs shall be added to your obligations to us and that this charge will secure your payment. If you do not pay such costs within 30 days after being billed, you will be in default under the mortgage.

Property Condition, Preservation and Maintenance Covenants

12. You covenant and agree to keep your property in good condition and a good state of repair and promptly carry out all necessary repairs. You must not do or fail to do, or let anyone else do or fail to do, anything which lowers the value of your property. You covenant and agree to deliver to ONHWP on or before each anniversary of the mortgage an appraisal of the property addressed to ONHWP dated not more than 60 days before such anniversary date, prepared by an appraiser holding the AACI designation from the Ontario Association of the Appraisal Institute of Canada.
13. You covenant and agree to comply with every present and future law, by-law, ordinance, regulation and order affecting the appearance, condition, repair, location, use or occupation of your property.

14. You authorize us or our agents to enter your property at all reasonable times to inspect your property and make any repair we or our agents deem necessary, but we or our agents will not become a mortgagee in possession by exercising these rights.
15. If we make repairs or undertake any inspections of your property, you covenant and agree to immediately reimburse us for the costs of such repairs and inspections. You covenant and agree that payment of such costs shall be added to your obligations to us and this charge will secure your payment. If you do not pay such costs within 30 days after being billed, you will be in default under the mortgage.
16. You covenant and agree not to demolish or destroy, or substantially renovate, alter, add to or improve any building or structure, or any part of a building or structure, on your property without our prior written consent.
17. If we give our prior written consent for the demolition, destruction, renovation, alteration, addition or improvement to all or part of a building or structure on your property, such work shall not be an event of waste and you covenant and agree to the following:
 - (a) that such work will be completed, at your expense, as quickly as possible;
 - (b) that you will ensure that all permits and authorizations required for such work are obtained and paid for, and that you will produce when we request evidence of such permits, authorizations and their payment; and
 - (c) that such work is undertaken, performed and completed in compliance with all governmental laws, orders, by-laws, requirements and building standards applicable.
18. Before, during and after any demolition, destruction, renovation, alteration, addition or improvement to all or part of a building or structure on your property, you covenant and agree that no lien or encumbrance shall be registered against your property. If such a lien or encumbrance is registered or filed against your property, you covenant and agree to immediately inform us of such lien or encumbrance and vacate that lien or encumbrance. If the lien or encumbrance is not vacated within 10 days of being registered or filed, you covenant and agree that we may vacate the lien or encumbrance that you will immediately reimburse us for the cost of us vacating the lien or encumbrance and any related administrative and legal fees. You covenant and agree that payment of such costs and fees shall be added to your obligations to us and this charge will secure your payment. If you do not pay such costs and fees within 30 days after being billed, you will be in default under the mortgage.
19. You covenant and agree to immediately insure and keep insured during the term of the mortgage your property for an amount not less than its full replacement value. The risks against which you must insure include loss or damage by or from fire, explosion, tempest, tornado, cyclone, lightning with extended perils coverage customarily provided in "all risks" insurance, and by and from such additional perils, risks or events as we may, in our sole opinion, at any time require. This responsibility to insure your property does not extend to vacant land without any buildings or structures, unless you subsequently erect, place or build buildings or structures, at which point, you become responsible to insure your property as set out above.
20. All insurance policies must be carried by insurers satisfactory to us and contain the standard mortgage clauses approved by The Insurance Bureau of Canada confirming that loss proceeds are payable to us in accordance with our interest, and we will have the right to receive and to have a lien on the loss proceeds in accordance with our interest. You must deliver to us evidence of renewal no less than 15 days before any insurance policy expires.
21. We may, at our sole discretion, place and pay for any insurance policy if you fail to satisfy your responsibility above. However, you acknowledge that by us insuring your property, you are not relieved or discharged from any of your covenants or responsibilities contained in the mortgage. You covenant and agree to immediately reimburse us for any insurance premiums we pay. You covenant and agree that payment of such costs shall be added to your obligations to us and this charge will secure your

payment. If you do not pay such costs within 30 days after being billed, you will be in default under the mortgage.

22. If any loss or damage occurs, you will immediately, at your expense, do anything or sign any document necessary to enable us to collect the insurance proceeds. A copy of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, in our sole discretion, in whole or in part be:

- (a) used to repair, restore or rebuild your property;
- (b) paid to you; and/or
- (c) used to satisfy the whole or any part of your obligations.

Tax and Utilities Covenants

23. You covenant and agree to pay, when invoiced, all taxes for your property. You will provide us with all the receipted tax bills by the end of each calendar year. If, for any reason, you do not pay the taxes when required then paragraphs 37 through 41 will apply.
24. You covenant and agree to pay, when invoiced, any and all utilities bills for the property, including without limitation, hydro-electricity, water, natural gas and heating oil. If, for any reason, you do not pay the utilities bills for your property when required then paragraphs 37 through 41 will apply.

Rental Properties and Rents Covenants

25. You covenant and agree that no part of your property is rented or occupied by a tenant. You also covenant and agree not to rent, lease or enter into a tenancy agreement for any part of your property without our prior consent, which we may arbitrarily withhold. The covenants above regarding renting and leasing your property do not apply to you if your property is a multi-unit residential rental property or a commercial rental property.
26. If your property is a multi-unit residential rental property or a commercial rental property, you covenant and agree to, upon our request, assign to us all leases, amendments and renewals, all rents payable and all rights pursuant to such leases, amendments and renewals as they affect your property. At our sole discretion and upon notice by us, you must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than renewals pursuant to your lease obligations).
27. If you do not comply with any of your obligations or your covenants and responsibilities under these paragraphs 25 through 29, then, at our sole discretion, the secured amount will immediately become due and payable. In such an event, you acknowledge that we may, but are not required to, make the necessary payments to acquire possession from the tenant and to sell your property. In such an event, you appoint us as your agent to enforce the terms of any lease entered into by you and to cancel or terminate any lease. You covenant and agree to immediately reimburse us for our expenses in such an event. You covenant and agree that payment of our expenses shall be added to your obligations to us and this charge will secure your payment. If you do not pay such costs within 30 days after being billed, you will be in default under the mortgage.
28. Nothing we do under these paragraphs 25 through 29 will put us in possession of your property and we are not obliged to collect any rent or income from your property nor to comply with any term of any lease.
29. If your property is a multi-unit residential rental property or a commercial rental property, and if you are not complying with any of your covenants or responsibilities under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, c.M.40 (as amended or replaced), rental of any part of your property without our prior consent shall be considered to have been done to discourage us from taking possession of your property

Release of the Mortgage

30. We shall not grant a partial discharge of your property, except in extraordinary or emergency circumstances, as we determine in our sole discretion. If we release only a part of your property from the mortgage, the remainder of your property will continue to secure your obligations, and your covenants and responsibilities under the mortgage will continue to be in effect. Any partial release of your property shall be subject to compliance with the provisions of the *Planning Act*, R.S.O. 1990 c.P.13 (as amended or replaced).
31. If your property is subdivided, each part of your property will secure your obligations.

Amendment of the Mortgage

32. At any time and at our sole discretion, the mortgage may be extended or amended by written agreement with you. We will not have to register any renewal, extension or amending agreement on title in order to retain priority for the mortgage over any other matter, encumbrance or instrument registered after the mortgage whether or not they are registered on title at the time any extension or amending agreement is entered into. The entering into of any extension or amending agreement by us with anyone liable to satisfy your obligations or the covenants and responsibilities in the mortgage shall not release or affect the liability of anyone else responsible for your obligations or the covenants and responsibilities in the mortgage who has not signed the extension or amending agreement.

Rights We Have to Preserve Our Security

33. We can, in our sole discretion, pay off any encumbrances, claims or liens which have priority over the mortgage. If we make any such payment, you covenant and agree to immediately reimburse us for all such payments and our expenses. You covenant and agree that payment of such payments and expenses shall be added to your obligations to us and that this charge will secure your payment. If you do not pay us for such costs and expenses within 30 days after being billed, you will be in default under the mortgage.
34. If you fail to satisfy any of your covenants or responsibilities under the mortgage, we may, but are not required to, satisfy those covenants or responsibilities. If we satisfy those covenants or responsibilities, you covenant and agree to immediately reimburse us for all payments which we have to make and costs which we incur. You covenant and agree that payment of such payments and costs shall be added to your obligations to us and that this charge will secure your payment. If you do not pay us for such costs and expenses within 30 days after being billed, you will be in default under the mortgage.

Events of Default

35. You will be in default of the mortgage if any of the following occur:
- (a) you fail to perform your obligations to ONHWP or under this mortgage and you fail to perform such obligations within 10 days after we provide you with written notice of your failure to perform;
 - (b) you become insolvent or you are assigned or petitioned into bankruptcy;
 - (c) you fail to satisfy your covenants or responsibilities under the mortgage, including without limitation your responsibility to properly repair and maintain your property, your responsibility to pay municipal taxes on your property as they become due, your responsibility to pay utility bills with respect to your property as they are invoiced, your responsibilities with respect to leases and rents on your property, and your covenants with respect to the environmental matters;
 - (d) you or someone else obtains municipal approval for the development of your property or takes any physical step to develop your property;
 - (e) you default under any other mortgage, instrument or encumbrance affecting your property; or

- (f) an execution is filed against you.

36. If at any time during the term of the mortgage, you sell, transfer, dispose of or otherwise deal with your property without our prior consent, the secured amount may, in our sole discretion, become immediately due and payable.

Our Rights and Remedies

37. If you are in default or if the secured amount becomes immediately due and payable, we may enforce any one or more of the remedies listed below in any order. If we make use of one remedy, we may still use any or all of the other remedies. Our remedies are the following:

- (a) we may commence legal action and take such action as is necessary to collect the secured amount;
- (b) we may seek a court order allowing foreclosure of your rights and title to the property. If successful, your property will belong to us. The court may also order the sale of your property and supervise that sale. If your property is sold and the proceeds are less than the secured amount and the interest owing, you are responsible for paying us the difference;

- (c) if you default for at least 15 days we may, on at least 35 days written notice to you, enter on and sell your property. Notice to you will be in a manner and form as required by the *Mortgages Act*. The proceeds of sale may be applied first against any costs or expenses incurred by us in enforcing our remedies, second against the secured amount and interest owing under the mortgage. If the proceeds from the sale are less than the secured amount and interest owing, you are responsible for paying us the difference. If the proceeds from the sale are greater than the secured amount and interest owing, you covenant and agree that we may, at our discretion, hold such proceeds in such investment or deposit vehicle we see fit, as security for your obligations to ONHWP. You covenant and agree to sign any further documents that ONHWP may require to give ONHWP a security interest in such proceeds. We may sell your property on such credit terms that we believe, in our sole opinion, are most advantageous and for the price that can most reasonably be obtained;

- (d) we may enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. You are responsible for immediately reimbursing us for any costs we incur and such costs will be added to your obligations to us;

- (e) we may, with or without possession of your property, appoint a receiver (which includes a receiver and manager) and from time to time replace the receiver and appoint another. The receiver will be your agent for all purposes with respect to your property, including but not limited to, collecting rents, revenue and profits. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may, at our sole discretion, use every available remedy which we have under the mortgage. We have the right to set the compensation for the receiver and from the income collected, the receiver will pay his compensation. The receiver will also pay from the money received other amounts on account of those items including, but not limited, to the receiver's expenses incurred from the management, operation, completion, construction, maintenance or repair of your property, taxes, insurance premiums, all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing and the secured amount and interest owing under the mortgage; and/or

- (f) we may cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by law.

38. If we take possession of your property by use of our remedies, you covenant and agree that you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be sold. You also covenant and agree not to make any claim against any person to whom your property may be sold.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

39. You covenant and agree that you are responsible for immediately reimbursing us for all of the expenses which we incur in enforcing any of our remedies. These expenses may include, but are not limited to, our legal fees, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees.
40. Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you complying with your obligations and satisfying your covenants and responsibilities under this mortgage, require payment of the secured amount if you are in default and require any other person who is liable to satisfy your covenants and responsibilities under the mortgage to satisfy those covenants and responsibilities.
41. If we obtain any court order or judgment against you pursuant to any action brought to enforce our remedies, the order or judgment will not prevent us from pursuing our other remedies or rights to enforce your other covenants and responsibilities under the mortgage.

Discharge of the Mortgage

42. Once you have fulfilled your obligations, we will sign a discharge or, if requested by you, an assignment of the mortgage and send it to you within a reasonable time. If you request us to assign the mortgage after you have fulfilled your obligations, we shall not make any representations or warranties of any kind with respect to the mortgage. You are responsible for paying all legal and other expenses, no matter who prepares the discharge. It is your responsibility to register the discharge or assignment on title and to pay the registration fee. If electronic registration is available for your mortgage, we will register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

Who is Bound

43. Not only do you covenant and agree to be bound by everything contained in the mortgage, including your covenants and responsibilities in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may assign the mortgage.
44. If more than one person signs the mortgage, then all persons who sign are jointly and individually liable to comply with all covenants and responsibilities under the mortgage. If mortgagor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

Partial Invalidity

45. If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions shall not be affected.

Headings

46. Headings in the mortgage are only used for reference and do not form part of the mortgage.

Dated the 29 day of May, 2001



Signature of person filing or of
authorized signing officer

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 20013 Cote

Land Registration Reform Act

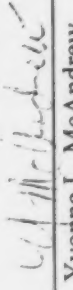
STANDARD CHARGE TERMS

Filed By: Montreal Trust Company of Canada/EquityPlus Financial Inc.
Address: 1500 – 885 West Georgia Street
Vancouver, B.C. V6C 3E8

The following set of standard charge terms are deemed to be included in every charge in which the set is referred to by its filing numbers, as provided in section 9 of the Act.

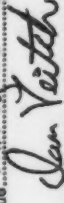
Dated at Toronto this 7th day of June, 2001.

MONTREAL TRUST COMPANY OF CANADA
and EQUITYPLUS FINANCIAL INC. by their
solicitors Fraser Milner Casgrain LLP

Per: 

Yvonne L. McAndrew

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 20014 Cole
Filing Date June 12, 2001 Date de Dépôt
Page 1 of 60 ThirtyTwo-32 Pages



DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

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1.0

DEFINITIONS AND GENERAL

1.1

Definitions

In this set of standard charge terms and in the Charge:

“Actual Charge Rate” means the interest rate per annum calculated in accordance with the applicable interest calculation period, not in advance, all as set out in the Mortgage Form or in any agreement amending or extending the Charge and shall be applicable, as well after as before maturity, default, and judgment.

“Amendment Interest Rate Differential Amount” with respect to any amendment to the Charge means the amount by which the amount determined in subparagraph (a) below exceeds the amount determined in subparagraph (b) below:

- (a) the present value, as determined by the Lender, of the aggregate amount of interest which would, but for the applicable amendment, be payable on the Principal outstanding on the Effective Date, from the Effective Date to the Maturity Date in effect prior to the amendment, at the Actual Charge Rate prior to the amendment (with such Actual Charge Rate being used as the discount rate (or factor) to be applied to determine the present value); and
- (b) the present value, as determined by the Lender, of the aggregate amount of interest, calculated on the Principal outstanding on the Effective Date, from the Effective Date to the Maturity Date in effect prior to the amendment, at the interest rate per annum published by the Lender as the rate of interest applicable on the Effective Date to fixed rate limited prepayment residential first or second (as the case may be) mortgages in Canada for the charge term nearest in length to the remaining term of the Charge on the Effective Date prior to the amendment of the term (with the rate of interest per annum described in this subparagraph (b) being used as the discount rate (or factor) to be applied to determine the present value).

“Assignee” is defined in Section 1.3.

“Borrower” means the person or persons so identified in the Charge and his, her or their heirs, personal representatives, successors and assigns, as the case may be.

“Charge” means the Mortgage Form and these standard charge terms.

“Commitment Letter” means the commitment letter entered into between the Borrower, the Guarantor (if any) and EquityPlus Financial Inc. concerning the terms and conditions pursuant to which the Charge is entered into.

“Condominium Act” means the *Condominium Act* (Ontario) R.S.O. 1990, c. 26, the regulations thereunder, any amendments thereto, replacements thereof and substitutions therefor and any act which is a successor thereto.

"Debt" means all present and future indebtedness and liability owing by the Borrower to the Lender pursuant to or in respect of the Charge including, without limitation, all Principal, any additional principal amount or amounts advanced in accordance with Section 2.2, interest, compound interest, Taxes and costs.

"Default" is defined in Section 9.1.

"Effective Date" means the date on which the amendments in the applicable charge amending agreement take effect.

"Guarantor" means the person or persons, if any, executing the Charge (including any Schedule) or any guarantee as covenantor or guarantor, guaranteeing to the Lender payment of the Debt and the performance by the Borrower of his or her obligations under the Charge, and his, her or their heirs, personal representatives, successors and assigns.

"Interest Adjustment Date" means the first day of the month preceding the month in which the first installment of Principal and interest is due, if such instalments are paid monthly; or the first day of the month in which the first installment of Principal and interest is due, if such instalments are paid more frequently than monthly.

"Lender" means Montreal Trust Company of Canada, as agent and custodian for and on behalf of EquityPlus Financial Inc., and EquityPlus Financial Inc., in its own capacity, and their respective successors and assigns.

"Maturity Date" means the date on which the balance of the Principal is due and payable.

"Mortgage Form" means the form of charge/mortgage established by the *Land Registration Reform Act* (Ontario) and known as a "Form 2 Charge/Mortgage of Land" and all schedules thereto, which form refers to these standard charge terms and is signed by the Borrower and the Guarantor, if any.

"Mortgaged Land" means the real property described in the Charge, all tenements, hereditaments and appurtenances with respect thereto, all estates (including any leasehold estate) and interests therein, and for greater certainty includes all buildings, plant, machinery, erections and improvements, fixed or otherwise, present or future, built, placed or put thereon including, without limitation, those described in Section 5.21.

"Other Claims" is defined in Section 5.4.

"Prepayment Interest Rate Differential Amount" with respect to any prepayment of Principal means the amount by which the amount determined in subparagraph (a) below exceeds the amount determined in subparagraph (b) below:

- (a) the present value, as determined by the Lender, of the aggregate amount of interest which would, but for the applicable prepayment be payable on the amount of the prepayment from the date of the prepayment to the Maturity Date at the Actual Charge Rate (with the Actual Charge Rate being used as the discount rate (or factor) to be applied to determine the present value); and
- (b) the present value, as determined by the Lender, of the aggregate amount of interest, calculated on the amount of the prepayment from the date of the prepayment to the Maturity Date at the interest rate per annum published by the Lender as the rate of interest applicable on the prepayment date to fixed rate limited prepayment residential first or second (as the case may be) mortgages in Canada for the charge term nearest in length to the remaining term of the Charge on the prepayment date (with the rate of interest per annum described in this subparagraph (b) being used as the discount rate (or factor) to be applied to determine the present value).

"Principal" means the amount described as the "Principal Amount" in the Charge Form.

"Prior Charge" means a charge referred to in Section 5.4.

"Schedule" means a schedule to the Charge.

"Taxes" means all taxes, rates and assessments, whether federal, provincial, municipal or otherwise, with respect to the Mortgaged Land.

"Term of the Charge" means the period commencing on the Interest Adjustment Date and ending on the Maturity Date.

1.2 Exercise of Lender's Rights

Any rights of the Lender under the Charge may be exercised by the Lender through its servicer or other agents.

1.3 Assignment by Lender

The Lender shall be entitled to assign the Charge or charge its interest in the Charge and the Debt without notice to or consent of the Borrower or of any Guarantor. The Borrower and each Guarantor and spouse who signs the Charge expressly agrees that the Lender's assignee, transferee or secured party, as the case may be, (the "Assignee") shall have all the Lender's rights and remedies under the Charge and neither the Borrower nor any Guarantor will assert against the Assignee any defence, counterclaim, right of set off or any other claim arising out of such assignment to or charge in favour of the Assignee and will pay the sums secured by the Charge to the Assignee as such sums become due under the terms of the Charge. For greater certainty, the Charge and the Debt are assignable by the Lender, and payment of

amounts secured by the Charge to the Lender in circumstances wherein it is intended that the Charge be assigned and not discharged, shall not cause the Charge to cease to operate nor entitle the Borrower to a discharge of the Charge.

1.4 Conflict

In the event of any conflict or inconsistency between the terms of any Schedule attached to the Charge and these standard charge terms, the terms set out in such Schedule shall prevail to the extent of such conflict or inconsistency.

1.5 No Set Off

All payments under the Charge shall be without set off, deduction or abatement.

1.6 Time of Payment

Any monies owing with respect to the Charge which are paid to the Lender after 3:00 p.m. Eastern Standard/Daylight Time shall, for the purposes of calculating interest, be deemed to have been paid on the next following business day after payment.

1.7 Disclosure Authorization

The Borrower and each Guarantor and spouse executing the Charge acknowledge that the Charge and the Debt secured by the Charge may be sold or securitized by the owner thereof without further notice to or consent of the Borrower and any Guarantor and spouse executing the Charge. The Borrower and each Guarantor and spouse executing the Charge hereby authorizes and consents to the Lender, First Canadian Title Company Limited, the owner or any other person having an interest in the Debt from time to time and their respective agents and third party advisors and their successors and assigns, including any party retained to service the Charge, releasing, disclosing, exchanging, sharing, transferring and assigning any personal or other information (including financial information) with respect to the Borrower (including any Guarantor and spouse), the Debt and the Mortgaged Land obtained by any such persons, in connection with the Charge or the Debt to any subsequent or proposed purchaser or purchasers of the Debt and their respective third party advisors and in any public offering memorandum, prospectus or other private or public disclosure or form regardless of the scope of distribution and in accordance with all other initial and continuing disclosure requirements relating thereto and to such other person as may be required to complete, administer, realize, assign, securitize or otherwise deal with the Charge or the Debt relating thereto from time to time.

2.0 **OPERATION OF MORTGAGE**

2.1 Charge of Mortgaged Land and Assignment of Rents and Leases

In consideration of the Principal paid to the Borrower, or of such portion thereof as may be advanced from time to time, (the receipt and sufficiency of which are acknowledged by the Borrower), the Borrower mortgages and charges the Mortgaged Land to and in favour of the Lender and the Borrower assigns to the Lender all the Borrower's existing and future rights in all existing and future leases, tenancy agreements and other similar agreements of all or any part of the Mortgaged Land granted by the Borrower or any predecessor of the Borrower as landlord and all rents and other similar amounts now or hereafter paid or payable to the Borrower in respect of all or any part of the Mortgaged Land:

- (a) as security for payment to the Lender when due of all Debt including, without limitation:
- (i) the Principal;
 - (ii) interest accruing on the Principal at the Actual Charge Rate; and
 - (iii) all other amounts payable pursuant to or secured by the Charge from time to time as determined by reference to the provisions of the Charge or otherwise determined in accordance with the law including, without limitation, compound interest payable by the Borrower pursuant to the provisions hereof and interest on any late payments,
- all calculated and payable as provided by the Charge; and
- (b) as security for the observance and performance of all other obligations of the Borrower pursuant to or in respect of the Charge.

Subject to the provisions of the Charge, the Borrower releases to the Lender all of the Borrower's claims upon the Mortgaged Land.

2.2 Additional Principal Advances Secured

The Lender may, from time to time in the Lender's sole discretion, lend additional amounts to the Borrower provided the principal amount at any time owing by the Borrower to the Lender and secured by the Charge shall not exceed the Principal and, subject to Section 5.15, provided further that the Borrower delivers to the Lender a letter, agreement or instrument wherein the Borrower refers to such additional principal amount and the Charge or wherein the Borrower agrees that such principal advance is made pursuant to the Charge or agrees that such principal amount shall be secured by the Charge. Each such principal amount, all interest accrued thereon and all other amounts owing by the Borrower to the Lender with respect thereto shall be included as Debt, the payment thereof by the Borrower to the Lender shall be secured by the Charge and each provision of the Charge shall apply thereto. The foregoing shall apply whether or not the Principal is from time to time reduced and thereafter increased or paid in full and thereafter incurred again. Nothing herein shall oblige the Lender to lend any principal amount.

2.3 No Advances

If the Lender decides, for any reason, that the Lender does not wish to advance to the Borrower all or any part of the Principal then the Lender does not have to do so. This applies even if the Charge has been signed and registered and whether or not any part of the Principal has previously been advanced. Even so, by signing the Charge the Borrower has charged all of his or her interest in the Mortgaged Land to the Lender and the Borrower will pay the Lender, on demand, all of the Lender's costs, including lawyers' fees and expenses for investigating title to the Mortgaged Land and for preparing and registering the Charge.

2.4 Continuation of Charge

The Charge shall continue in full force and effect in accordance with its terms until the Lender delivers a discharge of the Charge.

2.5 Discharge

The Charge is given upon the express condition that if the Borrower duly pays or causes to be paid to the Lender the Debt in full without any deduction or abatement, as and when the same is due, and duly observes and performs all other obligations of the Borrower pursuant to or in respect of the Charge, and the Lender has no obligation to lend any amount to the Borrower, then the Lender shall, after receipt of the Borrower's written request therefor, deliver to the Borrower a discharge of the Charge.

2.6 Foreclosure Right

The right of foreclosure is hereby expressly given and reserved to and retained by the Lender in the same manner and to the same extent as if the Borrower had transferred the Mortgaged Land to the Lender by way of charge subject to a proviso for redemption.

3.0 **PAYMENT OF PRINCIPAL AMOUNT AND INTEREST**

The Principal, interest thereon and all other amounts payable under the Charge shall be paid to EquityPlus Financial Inc. at Suite 400 – 70 University Avenue, Toronto, Ontario, M5J 2M4 or such other place which is designated by the Lender in writing.

3.1 Interest to Interest Adjustment Date

The Borrower shall, on the Interest Adjustment Date, pay interest at the Actual Charge Rate on the Principal or such part thereof advanced by the Lender to the Borrower from the date of advance until the Interest Adjustment Date, provided that, at the Lender's request the Borrower shall pay interest monthly on the first day of each month at the Actual Charge Rate on the Principal or part thereof advanced by the Lender to the Borrower from the date of advance until the Interest Adjustment Date and provided further that, at the Lender's option, any accrued interest may be deducted from any advance of Principal.

3.2 Payments of Principal and Interest

The Borrower shall pay to the Lender the Principal and interest thereon at the Actual Charge Rate from and including the Interest Adjustment Date in equal instalments in the amount set out in the Charge, commencing on the first payment date set out in the Charge and ending on the last payment date set out in the Charge, and shall pay the balance, if any, of the principal amount, interest and other outstanding amounts secured by the Charge on the Maturity Date (unless such amounts are payable hereunder at an earlier date).

3.3 Pre-Authorized Debits

The Borrower agrees that all loan payments payable under the Charge shall be paid to the Lender by way of pre-authorized debits and the Borrower shall execute and deliver such documents and provide such information as may be necessary from time to time to ensure that such pre-authorized debit payments continue to be made to the Lender when due under the Charge.

3.4 Interest After Default

In default of payment when due of any amount payable pursuant to the Charge whether on, before or after the Maturity Date or judgment, and until such amount is paid, the Borrower shall pay to the Lender interest at the Actual Charge Rate on such amount and such interest shall be paid on the first day of each month. In the event any such unpaid amount and interest thereon as aforesaid, or any part thereof, is not paid within the current interest calculation

period specified in the Charge and without in any way waiving any demand or requirement that such arrears and interest be paid, a rest shall be made as at the end of the interest calculation period and as at the end of each subsequent interest calculation period until all such arrears and all interest are paid. Compound interest at the Actual Charge Rate shall, after each rest, be payable on the aggregate amount of arrears and interest then owing including any compound interest then due, and shall be due on the first day of the month next following the end of such interest calculation period and thereafter on the first day of each month until paid. All amounts payable under this provision, whether for principal, interest, compound interest or otherwise shall be secured by the Charge on the Mortgaged Land.

3.5 Application of Amounts Received by Lender

All amounts paid by the Borrower to the Lender (unless otherwise agreed in writing) shall, prior to default by the Borrower, be applied firstly, to any sums payable to the Lender or its agents under the Charge other than interest and Principal including all costs, Charges, damages and expenses of the Lender, its servicer or other agents relating to Taxes, insurance, repairs, rents, utilities and other amounts, if any; secondly, to reduce compound interest; thirdly, to reduce interest (other than compound interest); fourthly, to reduce Principal; and fifthly, to reduce any other amount owing by the Borrower to the Lender. All amounts paid by the Borrower to the Lender (or otherwise received by the Lender) after default by the Borrower shall be applied in the manner determined by the Lender in its sole discretion.

4.0 **LIMITED PREPAYMENT PROVISIONS**

4.1 The Borrower shall be entitled to prepay Principal as follows:

- (a) when not in default under the Charge, the Borrower shall be entitled, to prepay once in each 12-month period from the date of the first advance of Principal, without notice and without payment of any additional amount concerning such prepayment, an amount of Principal, provided that:
 - (i) the amount of Principal prepaid shall not be less than \$100; and
 - (ii) the amount of Principal prepaid during any such 12-month period shall not exceed 20% of the original principal amount of the Charge; and
 - (iii) such prepayment privilege shall not be cumulative (that is, the Borrower's right to make any prepayment in any future year shall be limited to a maximum of 20% of the original principal amount); and
- (b) when not in default under the Charge, the Borrower shall be entitled, to prepay any or all of the Principal (but not less than \$100) at any time or times without notice, upon payment, of the greater of:
 - (i) an additional amount equivalent to three months' interest at the Actual Charge Rate on the amount of such principal prepayment; and
 - (ii) the Prepayment Interest Rate Differential Amount.

4.2 Except as specifically set out above, the Borrower shall not be entitled to prepay any amount of Principal or increase the amount of the instalments payable under the Charge.

4.3 In the event any prepayment is made, the payment dates and the amount of all remaining instalments shall continue unaffected by the prepayment so that the Borrower shall pay the instalments provided for in the Charge when due until all amounts owing under the Charge have been fully paid.

5.0 EXPRESS AGREEMENTS BY BORROWER

The Borrower agrees with, declares to and represents to Lender as follows:

5.1 Payment of Debt

The Borrower agrees to pay to the Lender in lawful money of Canada each part of the Debt, as and when such part becomes due, without deduction or set-off of any kind.

5.2 Observance and Performance of Provisions

The Borrower agrees to duly and punctually observe and perform all the provisions of the Charge which are to be observed and performed by the Borrower.

5.3 Taxes

The Borrower agrees to promptly pay or cause to be paid all Taxes as they become due and, without limiting the foregoing:

- (a) the Lender may deduct from the final advance of the Principal an amount sufficient to pay any unpaid Taxes which have become or will become due and payable on or before the Interest Adjustment Date;
- (b) after the Interest Adjustment Date, at the option of the Lender, the Borrower shall pay to the Lender in instalments on the dates on which instalments of Principal and interest are payable pursuant to the Charge, sums sufficient to enable the Lender to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof;

- (c) where the period between the Interest Adjustment Date and the next following annual due date or first instalment due date for Taxes is less than one year, the Lender may, at the Lender's option, require the Borrower to pay to the Lender in equal instalments, on each date on which an installment of Principal and interest is payable pursuant to the Charge, during such period and during the next succeeding 12-month period, an amount estimated by the Lender to be sufficient to pay, on or before the expiration of the said 12-month period, all Taxes which shall become due and payable during the said two periods and during the balance of the calendar year in which the said 12-month period expires; and the Borrower shall also pay to the Lender on demand the amount if any, by which the actual Taxes exceed such estimated amount;

(d) subject to Section 5.3(c) hereof, at the option of the Lender, the Borrower shall pay to the Lender on each date on which an installment of principal and interest is payable pursuant to Charge:

- (i) one-fifty-second of the annual amount (as estimated by the Lender) of the Taxes becoming due and payable during the next succeeding year after such installment due date, if the payment date and period specified in the Charge is Friday of every week; or
- (ii) one-twenty-sixth of the annual amount (as estimated by the Lender) of the Taxes becoming due and payable during the next succeeding year after such installment due date, if the payment date and period specified in the Charge is Friday of every second week; or
- (iii) one-twenty-fourth of the annual amount (as estimated by the Lender) of the Taxes becoming due and payable during the next succeeding year after such installment due date if the payment dates and period specified in the Charge is the first and fifteenth days of every month; or
- (iv) one-twelfth of the annual amount (as estimated by the Lender) of the Taxes becoming due and payable, during the next succeeding year after such installment due date, if the payment date and period specified in the Charge is the first day of every month,

and the Borrower shall also pay to the Lender on demand, the amount, if any, by which the actual Taxes exceed such estimated amount; and

- (e) the Borrower shall pay to the Lender on demand interest, at the Actual Charge Rate, on the debit balance, if any, of the Borrower's tax account outstanding after payment of Taxes by the Lender, until such debit balance is fully repaid; and the payment of such interest shall be secured by the Charge.

The Lender shall not be obliged to pay to the Borrower interest on any credit balance in the Borrower's tax account. The Lender shall apply such payments to pay Taxes only so long as a Default has not occurred but nothing herein shall oblige the Lender to apply such payments on account of Taxes more often than yearly. If, before a sum or sums so paid to the Lender shall have been so applied, there shall be a Default, the Lender may apply such sum or sums in or towards payment of any part or parts of the Debt as the Lender may determine. The Borrower shall transmit to the Lender the assessment notices, tax bills and other notices affecting the imposition of Taxes forthwith after receipt of same and shall also transmit to the Lender evidence of payment of all Taxes paid by the Borrower. The Borrower shall not defer or become a party to any arrangement or legislative scheme which has the effect of deferring the payment of any applicable taxes, levies or charges payable in respect of the Mortgaged Land notwithstanding that the Borrower may be eligible for such an arrangement or scheme.

5.4 Good Title and Free From Encumbrances

The Borrower represents to the Lender that, at the time of execution and delivery of the Charge:

- (a) the Charge is subject only to any prior charge to which the Lender has consented in writing or is set out in the Mortgage Form (hereinafter individually or collectively, as the case may be, called the "Prior Charge");
- (b) the Borrower is the legal and beneficial owner of, and has a good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or, if Section 11.0 applies to the Charge, a good and absolute leasehold interest in the Mortgaged Land), without any encumbrance, lien, mortgage, charge, reservation, limitation, proviso or condition whatsoever except those contained in the original grant thereof from the Crown and except any Prior Charge;
- (c) the Borrower has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land to the Lender in accordance with the provisions of the Charge;
- (d) the Borrower is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (e) the Borrower has not done, omitted or permitted anything whereby the Mortgaged Land or the Borrower's estate, right, title or interest therein is or may be alienated, encumbered, liened, charged, mortgaged, impeached or affected except for the Charge and any Prior Charge;
- (f) a family dwelling has been constructed on the Mortgaged Land which is zoned and used for residential purposes in compliance with all applicable laws; and
- (g) on Default the Lender shall have quiet possession of the Mortgaged Land except for Prior Charges.

The Borrower agrees that, except for any Prior Charge, the Borrower shall keep the Mortgaged Land free and clear of and from all encumbrances, liens, charges and mortgages relating to or arising out of statutory liens or charges on the Mortgaged Land, arrears of Taxes, liens for arrears of condominium or strata corporation common element expenses or other condominium or strata corporation charges or expenses, executions, and rights (which encumbrances, liens, charges and mortgages including each Prior Charge, if any, are hereinafter collectively called "Other Claims").

5.5 Prior Charges

5.5.1 The Borrower declares to the Lender that the principal amount, interest, and all other money owed by the Borrower under each Prior Charge is no greater than as stipulated in the Commitment Letter, that no default has occurred under any Prior Charge, and that the Borrower has paid all money now due and payable under each Prior Charge.

5.5.2 The Borrower agrees to pay all amounts due and payable under any Prior Charge when due, and to otherwise observe all promises and agreements contained in any Prior Charge.

5.6 Payments by Lender of Other Claims

The Lender may pay the whole or any part of any Other Claims at any time having priority over the Charge. The amounts so paid shall be payable by the Borrower to the Lender on demand and shall, until paid to the Lender, be included in the Debt, be secured by the Charge and bear interest at the Actual Charge Rate. The Lender shall be entitled to the equities, rights and securities of the person or persons so paid and to obtain an assignment of any Other Claims so paid and of any right to payment, and the Lender is authorized to retain any discharge of any Other Claims, without registration, until payment to the Lender in full of such Other Claims.

5.7 Insurance

The Borrower shall (or if the Mortgaged Land includes a strata lot or condominium unit, the Borrower shall cause the applicable condominium or strata corporation to), at the Borrower's sole expense (or such condominium or strata corporation's sole expense), forthwith insure and during the continuance of the Charge keep insured in favour of the Lender against loss or damage by fire, lightning, tempest, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and such other risks, hazards and perils as the Lender may require including risks and perils covered by an "all risks" policy with standard extended coverage, each and every building now or hereafter erected on the Mortgaged Land, both during erection and thereafter, and also crops and other personal property or produce of land which may be charged by the Charge, for the full replacement cost thereof, and in an amount sufficient to avoid the application of any co-insurance provisions. Without limiting the foregoing and in addition thereto:

- (a) prior to any advance of Principal, the Borrower shall deliver to the Lender a certified copy of each policy of insurance and receipts evidencing the payment of premiums for such insurance, and each such policy shall contain a standard mortgage clause approved by the Lender, shall have provisions satisfactory to the Lender and shall be issued by an insurer or insurers satisfactory to the Lender;
- (b) if the Mortgaged Land includes a condominium unit or strata lot, the Borrower or the applicable condominium or strata corporation shall assign, transfer and deliver to the Lender certificates of insurance and insurance proceeds with respect to such unit, and if any policy or any insurer at any time ceases to be satisfactory to the Lender, the Borrower shall effect such new insurance as the Lender may require;
- (c) each policy shall contain an undertaking by the insurer to notify the Lender in writing not less than 15 days prior to any material change, cancellation, failure to renew or termination thereof;
- (d) at least 15 days prior to the expiry of a policy or at least five days prior to the date fixed for cancellation of a policy should notice of cancellation be given, the Borrower shall deliver to the Lender evidence of renewal or replacement thereof;

- (e) the loss under each policy shall be made payable to the Lender as beneficiary and mortgagee as its interest may appear with preference in its favour over any claim of any other person or persons;
- (f) in the event of failure on the part of the Borrower to fulfill any obligation of the Borrower under this Section 5.7, the Lender shall be entitled (but shall not be obliged to), unless such failure is rectified within two days after written notice by the Lender to the Borrower of such failure, to effect such insurance as it deems proper and the Borrower shall promptly pay to the Lender, on the then next date on which interest is payable by the Borrower, all premiums paid by the Lender and such amount payable by the Borrower shall, until paid to the Lender, be included in the Debt, be secured by the Charge and bear interest at the Actual Charge Rate;
- (g) if the Mortgaged Land includes a condominium unit or strata lot, the Borrower shall (and shall cause the applicable condominium or strata corporation to) comply with all provisions of the applicable policy, observe and perform all duties and obligations imposed by statute or by the applicable condominium or strata corporation declaration and bylaws and, without limitation, comply with all the insurance provisions of the *Condominium Act* and the Borrower, as a member of such condominium or strata corporation, shall seek full compliance by such condominium or strata corporation with all such covenants;
- (h) in case of any loss or damage, the Borrower shall, at the Borrower's sole expense, immediately notify the Lender of such loss or damage, fully comply with all provisions of the applicable policy, and furnish all necessary proofs and do all necessary acts to enable the Lender to obtain payment of all insurance monies. Production of the Charge shall be sufficient authority for any insurer concerned (and such insurer is hereby directed by the Borrower) to pay any such loss to the Lender. The Lender shall have the right in its sole discretion, to the extent permitted by law, to apply the monies received from the insurer in whole or in part in and to any one or more of the following:
 - (i) in reduction of the Debt, including any Principal outstanding, notwithstanding that such amount at such time may not be due and payable;
 - (ii) in payment of costs of rebuilding, reinstating, repair or reconstruction; or
 - (iii) in payment to subsequent encumbrancers entitled thereto, the Borrower or assigns thereof, as their interests may appear.

No damage to the insured property shall be repaired or any reconstruction effected without the prior written approval of the Lender; and

- (i) as additional and separate security for payment of the Debt and all other indebtedness secured by the Charge, the Borrower hereby assigns, transfers and

sets over to the Lender, all the Borrower's present and future interests in and to all such present and future insurance policies and all proceeds therefrom.

5.8 Further Assurances

The Borrower and each and every person having or claiming to have an estate, right, title, interest or trust of, in or to the Mortgaged Land shall, at any time and from time to time, make, execute and deliver or cause to be made, executed and delivered to the Lender such further and other reasonable acts, deeds, conveyances and assurances as may be required to fully and effectually carry out the true intention and meaning of the Charge and the provisions included in the Charge and the reasonable cost of such further assurances shall be added to the Debt.

5.9 Liens

The Borrower shall, within 21 days after a request by the Lender to do so, cause to be discharged all builders' and construction lien claims registered against the Mortgaged Land including all liens registered pursuant to the *Construction Lien Act* or similar legislation in effect from time to time.

5.10 Discharge of Part of Mortgaged Land

The Lender may at its discretion, subject to the provisions of applicable law, from time to time release or discharge any part or parts of the Mortgaged Land, any other security or any guarantor or surety (including any Guarantor) for the Debt either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing or discharging the Borrower, any other part of the Mortgaged Land, other security, or other guarantor or surety from the Charge or from any covenants contained or incorporated in the Charge and without being accountable to the Borrower or any other guarantor or surety for the value thereof or for any money other than that actually received by the Lender, and every part or lot into which the Mortgaged Land is or may hereafter be divided shall continue to be mortgaged and charged with the whole amount of the Debt.

5.11 Granting of Time, Etc.

The Lender may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Borrower, any guarantor or surety (including any Guarantor), and all other persons and securities as the Lender may see fit without prejudicing any of the rights of the Lender under the Charge.

5.12 Waste

The Borrower shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof.

5.13 Alterations

The Borrower shall not, subject to Section 5.14, make or permit to be made, any alterations or additions to the Mortgaged Land or any buildings thereon without the prior written consent of the Lender and the Borrower will not allow the Mortgaged Land to remain unoccupied or unused.

5.14 Compliance with Laws, Good Condition, Inspection and Repairs

The Borrower shall comply with all laws, bylaws and regulations affecting the Mortgaged Land, and with all orders, directives and requirements of any governmental authority or agency having jurisdiction and, at the Borrower's own expense, shall promptly and in a good and workmanlike manner make all improvements, alterations and repairs and effect any change in use that may be required from time to time to effect such compliance. The Borrower shall maintain the Mortgaged Land and all buildings, fixtures and other improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Lender. The Lender or any agent thereof may from time to time enter upon the Mortgaged Land and inspect the same and make such repairs, improvements and alterations as the Lender deems necessary without being deemed to be a mortgagee in possession. The Borrower shall, on demand by the Lender, reimburse the Lender for all reasonable costs of such inspection and repairs, improvements and alterations and such amounts owing by the Borrower shall, until paid to the Lender, be included in the Debt, be secured by the Charge and bear interest at the Actual Charge Rate.

5.15 Advance of Principal

If any portion of the Principal is not advanced at the date of registration of the Charge, the Lender may advance the same in one or more sums at any future date or dates and the amount of each such advance shall be secured by the Charge and be repayable with interest at the Actual Charge Rate and for all purposes of priority shall be considered and treated as having been so secured and advanced at the date of registration of the Charge. For greater certainty, where such subsequent advances are part of the principal amount contemplated by the Lender at the time the Charge is granted, the letter, agreement or instrument referred to in Section 2.2 shall not be required in order to effect the foregoing. None of the preparation, execution, delivery or registration of the Charge, or the advance in part of the Principal shall oblige the Lender to advance the whole of the Principal or any unadvanced portion thereof but nevertheless the Charge shall take effect forthwith on the execution and delivery of the Charge by the Borrower.

5.16 Waiver

No waiver, condonation or excusing by the Lender of any default, breach or other non-performance by the Borrower at any time or times hereunder shall operate as a waiver by the Lender of a subsequent default, breach or non-performance or adversely affect in any way the rights of the Lender hereunder.

5.17 Effect of Sale

No sale, conveyance, transfer or other dealing by the Borrower with the Mortgaged Land or any part hereof or any approval of the Lender relating thereto shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower, any guarantor or surety (including any Guarantor), or any other person or persons liable for payment of the Debt.

5.18 Extension of Time and Amendments

No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower or any other amendment to the Charge or any other dealing by the Lender with the owner of the Mortgaged Land shall in any way affect or prejudice the rights of the Lender against the Borrower, any guarantor or surety (including any Guarantor), or any other person or persons liable for payment of the Debt. The Term of the Charge may be extended, the terms of payment changed and any other amendments effected by a written agreement between

the Borrower and the Lender with or without an increased rate of interest. Such amendment agreement need not be registered, but shall bind the Mortgaged Land. The priority of the Charge as extended and amended shall as against subsequent transferees and encumbrancers remain unchanged whether or not such amendment agreement is registered. Nothing herein shall confer on the Borrower any right to an extension or amendment of the Charge.

5.19 Discharge or Assignment

The Lender shall be entitled to prepare or have its lawyers prepare a discharge or assignment of the Charge and any other documents necessary to discharge or assign any security held by the Lender and shall have a reasonable time after payment of all Debt within which to prepare, execute and deliver such documents. Interest at the Actual Charge Rate shall continue to accrue to the date of receipt of such payment in full. All reasonable fees and expenses of the Lender and all reasonable fees and disbursements of the Lender's lawyers in connection with the preparation, review, execution and delivery of such documents shall, to the extent permitted by law, be paid by the Borrower to the Lender as a condition precedent to the delivery of such documents.

5.20 Other Security

The Charge is in addition to and not in substitution for any other security at any time held by the Lender for all or any part of the Debt, and the Lender may, at its option, pursue its remedies thereunder, under the Charge or at law concurrently or successively. Any judgment or recovery under the Charge or under any other security held by the Lender for the Debt shall not affect the right of the Lender to realize upon the Charge or any other such security.

5.21 Fixtures

For greater certainty, all erections and improvements fixed or otherwise now on or hereafter put on the Mortgaged Land, including without limiting the generality of the foregoing, all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings and all other apparatus and equipment appurtenant thereto and all accessions and accretions of any kind or nature are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Mortgaged Land.

5.22 Expenses

The Borrower agrees to pay to the Lender, on demand by the Lender, an amount equivalent to all expenses paid or incurred by the Lender in respect of the Charge or the Mortgaged Land including, without limitation:

- (a) lawyer's, inspector's, valuator's and surveyor's fees and expenses (including all such fees and expenses incurred in valuing the Mortgaged Land, preparing and registering the Charge, investigating the Mortgaged Land or title thereto, and making or maintaining the Charge as a first mortgage and charge of the Mortgaged Land);

- (b) insurance premiums, Taxes, and amounts paid in respect of any Other Claims, liens, charges, encumbrances or claims charged or to be charged against the Mortgaged Land;
- (c) costs of maintaining, repairing, restoring or completing the Mortgaged Land;
- (d) costs of inspecting, leasing, managing or improving the Mortgaged Land, including the price of any goods of any sort or description supplied to be used on the Mortgaged Land; and
- (e) costs of exercising or enforcing or attempting to exercise or enforce any right, power, or remedy pursuant to the Charge or otherwise including all legal costs, on a solicitor and his or her own client basis, and any costs of consultants or other advisers to the Lender in connection with such enforcement,

whether such amounts are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and whether or not any Principal is advanced. All such amounts shall, until paid to the Lender, be included in the Debt, be secured by the Charge and bear interest at the Actual Charge Rate.

5.23 Monies Received

The Lender shall not be accountable for any amounts except those actually received by the Lender.

5.24 Change in Spousal Status and Other Matters

After any change or event affecting any of the following, namely:

- (a) the spousal status of the Borrower;
- (b) the qualification of the Mortgaged Land as a matrimonial home;
- (c) the ownership of the Mortgaged Land (but subject to Section 6.0); or
- (d) residency or citizenship of the Borrower,

the Borrower will forthwith advise the Lender accordingly in writing and furnish the Lender with full particulars thereof, the intention being that the Lender shall be kept fully informed of the names and addresses of the owner or owners for the time being of the Mortgaged Land and of any spouse who is not an owner but who has a right to possess the Mortgaged Land. In furtherance of such intention, the Borrower shall furnish the Lender with such evidence in connection with any of Section 5.24(a), (b), (c) and (d) as the Lender may from time to time request.

5.25 Other Liens or Charges

The Borrower agrees that the aggregate credit balance secured by all mortgages, charges and other encumbrances against the Mortgaged Land, including the Charge, shall not exceed \$500,000.

5.26

Administration Fees

The Borrower agrees to pay the Lender or its servicer and agents, when due, the then current administration and processing fees of the Lender or its servicer or other agents in connection with the preparation of any assumption statement, amending or other agreement, statements for information purposes, any fees charged by the Lender or its agents from time to time in connection with replacement of cheques or otherwise where payment has been refused due to insufficient funds or for any other reason in respect of the administration of the Charge and to add such fees, if unpaid, to the Debt, which unpaid fees will be charged interest at the Actual Charge Rate.

5.27

Environmental Inspection and Testing

5.27.1 The Borrower represents to the Lender that the Mortgaged Land complies with all applicable laws and requirements pertaining to environmental, health and safety matters ("Environmental Laws"). The Borrower agrees not to permit the Mortgaged Land to be contaminated with any contaminant, any chemical or foreign substance or any toxic, radioactive or other hazardous material or waste (any such contaminant, substance or hazardous material or waste is described herein as a "Hazardous Substance"), or permit any Hazardous Substance to be located, manufactured, stored, spilled, charged or disposed of at, on or under the Mortgaged Land or any lands adjoining the Mortgaged Land other than normal household and garden cleaners and fertilizers. The Borrower represents that the Mortgaged Land has never been used as a waste disposal site and does not contain any such Hazardous Substance.

5.27.2

The Borrower hereby agrees to indemnify and save the Lender harmless from and against all losses, costs, damages, expenses, claims, causes of action or the like (including legal costs and all costs incurred in the investigation, defence and settlement of such matters), which may arise from:

- (a) any breach of Environmental Laws by the Borrower on the Mortgaged Land;
- (b) any contamination on the Mortgaged Land or any lands adjoining the Mortgaged Land due to the presence of any Hazardous Substance; and
- (c) any breach by the Borrower under this section.

5.27.3

Without in any way limiting the generality of any other provision of the Charge, the Lender or its servicer (or their respective agents) may enter upon the Mortgaged Land to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Lender and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Actual Charge Rate under the Charge, shall be payable by the Borrower forthwith upon demand and shall be a Charge upon the Mortgaged Land. The exercise of any of the powers enumerated in this clause shall not deem the Lender, its servicer, or their respective agents to be in possession, management or control of the Mortgaged Land.

6.0 **SALE, CONVEYANCE OR TRANSFER OF MORTGAGED LAND**

6.1 In the event of the Borrower selling, conveying, transferring, or entering into any agreement of sale or transfer of the Mortgaged Land to a purchaser, grantee or transferee not approved in writing by the Lender in its sole discretion or if such a purchaser, grantee or transferee should fail to:

- (a) apply for and receive the Lender's written approval as aforesaid;
- (b) personally assume all of the obligations of the Borrower under the Charge; and
- (c) execute an assumption agreement in the form required by the Lender,

then at the option of the Lender, all monies hereby secured with accrued interest thereon shall forthwith become due and payable.

6.2 In determining whether to grant its consent to any such purchaser, grantee or transferee, the Lender's mortgage approval criteria, policies, procedures and documentation requirements in effect at the time such consent is requested shall apply and must be satisfied by the Borrower at its sole cost and expense. The Borrower will be responsible for paying all applicable processing or administration fees, all legal fees and other expenses incurred in connection with the assumption.

6.3 It shall be a default under the Charge if the Borrower sells or agrees to sell all or any part of the Mortgaged Land except in compliance with the provisions of the Charge.

7.0 DISCRETION OF THE LENDER WHETHER TO GRANT REQUESTS AND AMENDMENT AGREEMENTS

Despite any other provision of the Charge, the Lender shall have no obligation to grant any request of the Borrower under the Charge. The Lender shall be deemed not to have granted such request unless the Lender delivers to the Borrower a written agreement satisfactory to the Lender agreeing to such request or an amendment agreement which reflects such request. Whenever the Charge provides for an amendment agreement, such amendment agreement shall be in form and substance satisfactory to the Lender, shall not be effective unless signed by the Borrower, the spouse of the Borrower, if applicable, and any Guarantor and shall specify the date on which such amendment becomes effective. If the amendment agreement provides for the payment of an amendment fee, the Borrower shall pay such fee to the Lender, in an amount satisfactory to the Lender, at or before the time such amendment agreement is signed.

8.0 CONDOMINIUM PROVISIONS

If the Mortgaged Land is a strata lot or condominium unit or includes a strata lot or condominium unit, the following provisions shall apply:

- (a) the Borrower shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Charge, the *Condominium Act*, and the declaration, bylaws and rules, as amended from time to time, of the condominium or strata corporation of which the Borrower is a member by virtue of the Borrower's ownership of the condominium unit or strata lot mortgaged by the Charge;
- (b) the Borrower shall pay promptly when due any and all common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium or strata corporation or any agent thereof by the Borrower and, at the Lender's request deliver to the Lender

evidence of the payment thereof. Upon failure to make said payments, the Lender may, at its option, pay any such monies owing, whether or not any payment in default has priority to the Charge or any part of the monies secured hereby, and the amount paid by the Lender shall be forthwith due and payable to the Lender by the Borrower, together with interest at the Actual Charge Rate and shall be a Charge upon the Mortgaged Land and secured under the Charge to the same extent and effect as the Principal and interest hereby secured. The Borrower represents to the Lender that as of the date hereof all common expenses or special assessments levied or assessed against the strata lot have been paid as assessed;

- (c) upon Default herein and notwithstanding any other right or action of such condominium or strata corporation or the Lender, the Lender may distraint for arrears of any assessments, levies, instalments, payments or any other amounts due to the Lender or arising pursuant to this provision; and
- (d) the Borrower hereby authorizes the Lender to exercise the right of the Borrower as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium or strata corporation or arising under the *Condominium Act*, the declaration or the bylaws of the condominium or strata corporation, provided that:

- (i) in any case where the Lender is entitled under the *Condominium Act* to receive and does receive notice of a meeting of owners, the Lender may notify the condominium or strata corporation and the Borrower of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Borrower may exercise such right to vote or consent at such meeting;

- (ii) the Lender shall not, by virtue of the giving to the Lender of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Borrower, and the Lender shall not be responsible for any exercise or failure to exercise the right to vote or consent;

- (iii) nothing herein contained, including the exercise by the Lender of the right to vote or consent, shall constitute the Lender a mortgagee in possession; and

- (e) if the Borrower fails to comply with the *Condominium Act* or any successor legislation, the bylaws, regulations and rules of the strata or condominium corporation, the Lender may effect such compliance and any charges or costs incurred thereby by the Lender are payable to the Lender forthwith, together with interest at the rate charged by the Charge, and shall be secured by the Charge;

- (f) the Borrower agrees with the Lender to deliver to the Lender, if the Lender so requests, in person or by prepaid registered mail, a copy of the following:

- (i) each notice of meeting sent to the Borrower pursuant to the provisions of the bylaws or the *Condominium Act*, either as owner of the strata lot or as a member of the strata or condominium corporation, which copy is to be

received by the Lender at least five clear days prior to the date upon which such meeting is fixed to convene;

- (ii) every claim against the Borrower or demand for payment from the Borrower, which claim or demand is pursuant to the provisions of the bylaws, which copy is to be received by the Lender at least five clear days prior to the date upon which such claim or demand becomes due and payable;
- (iii) every notice received by the Borrower of a breach by the Borrower of the provisions, restrictions, terms specification or stipulations set out in the bylaws, which copy is to be received by the Lender within five days of the date after such notice is received by the Borrower;
- (iv) every request or claim after the consent of the Borrower affecting the strata lot or the common elements of the strata or condominium corporation, which copy is to be received by the Lender within five days of the date upon which such demand or request is received by or made of the Borrower; and
- (v) any information known to the Borrower concerning the termination of a management agreement or insurance policy for the strata or condominium corporation, such information to be delivered to the Lender immediately upon the Borrower learning of such information;
- (g) the Borrower hereby charges his, her or their interest in the assets of the strata or condominium corporation to the Lender, which assets are now owned or may hereinafter be acquired by the strata or condominium corporation, in a like manner as the strata lot or condominium unit charged in the Charge; and
- (h) the Borrower grants to the Lender the right to inspect at reasonable times, and from time to time, all of the strata or condominium corporation records as provided in the bylaws and, if requested by the Lender, shall direct and authorize the strata or condominium corporation to do all things to enable the Lender to so inspect the records.

9.0

DEFAULT

9.1 Unless waived by the Lender in writing, each of the following shall be an event of default (a "Default") under the Charge:

- (a) default of payment of the Debt, or any part thereof, when due;
- (b) default of payment of any moneys payable under, or in the observance or performance of any covenant, agreement, term or condition of, any Other Claim;
- (c) breach by the Borrower of any other covenant or agreement herein contained which breach is not rectified within 10 days of notice thereof to the Borrower;
- (d) breach by the Borrower or any Guarantor of any covenant or agreement in any other agreement between the Lender and any of them which breach is not rectified

within the time provided for therein or, if no such time for rectification is specified, within 10 days of notice thereof to the Borrower;

- (e) any of the Borrower or any Guarantor makes an assignment for the benefit of his or her creditors, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* or similar legislation in any jurisdiction or makes an authorized assignment or any proceeding is instituted against the Borrower or any Guarantor seeking to have an order for relief entered against any of them as debtor or to adjudicate any of them bankrupt or insolvent;
- (f) a receiver of all or any part of the Mortgaged Land is appointed;
- (g) an order of execution against the Mortgaged Land or any part thereof remains unsatisfied for a period of 10 days;
- (h) any representation or warranty, whether or not contained herein, by or on behalf of the Borrower or any Guarantor to the Lender is untrue or incorrect;
- (i) without the prior written consent of the Lender except for any Prior Charge, the Borrower creates or permits to exist any charge, lien or charge on, claim against, or security interest in, the Mortgaged Land which ranks or could in any event rank in priority to or *pari passu* with any charge or security interest created by the Charge;
- (j) the holder of any Other Claim does anything to enforce or realize on such Claim;
- (k) all or any portion of the Mortgaged Land is expropriated;
- (l) if the Borrower sells, conveys, transfers or enters into an agreement for sale of or transfer of title to the Mortgaged Land or any part thereof except as provided for in Section 6.0; or
- (m) if the Borrower or any Guarantor dies or is declared incompetent to manage his or her affairs.

9.2 Upon the occurrence of a Default, all Debt shall, at the option of the Lender, forthwith become due and payable, the Borrower shall forthwith pay all Debt to the Lender, all the Lender's rights and remedies pursuant to the Charge or otherwise available at law shall become exercisable and, without limiting the foregoing, the following shall apply:

- (a) The Lender may, at the Borrower's expense and when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any obligation of the Borrower in respect of the Mortgaged Land or the Charge.
- (b) The Lender may at such time or times as the Lender may deem necessary and without the concurrence of any person, enter upon and take possession of the Mortgaged Land, the Lender shall have quiet possession of the Mortgaged Land

free of all encumbrances, and the Lender may, after giving any notices required by law, make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements forming part of the Mortgaged Land, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the Mortgaged Land as the Lender may deem expedient; and all reasonable costs, charges and expenses, including allowances for the time and service of any employee of the Lender or other person appointed for any of such purposes, shall be forthwith payable to the Lender, and shall, until paid to the Lender, be included in the Debt, be secured by the Charge and bear interest at the Actual Charge Rate.

(c) After any Default has continued for at least 15 days, the Lender may, on at least 35 days' notice sell the Mortgaged Land or any part or parts thereof, or after any Default has continued for at least 60 days, the Lender may sell the Mortgaged Land or any part or parts thereof without notice except as may be required by law.

(d) The following provisions shall apply, where applicable, with respect to the lease or sale of the Mortgaged Land by the Lender:

(i) notice of sale shall be given to such persons and in such manner and form as required by law, provided that in the event that the giving of such notice of sale shall not be required by law or to the extent that any notice requirements shall not be applicable, notice may be effectually given by leaving it with a person on the Mortgaged Land, if occupied, or by placing the same on some portion thereof, if unoccupied, or at the option of the Lender, by mailing it by registered mail addressed to the Borrower at the Borrower's last known address, or by publishing it once in a newspaper published in the area or region in which the Mortgaged Land is situated;

(ii) such notice of sale shall be sufficient although not addressed to any person or persons by name or designation, and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability;

(iii) sale of the Mortgaged Land may be by public auction or private sale or partly by one and partly by the other, for such price as can reasonably be obtained therefor and on such terms as to credit and otherwise and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise as the Lender in its discretion shall deem proper;

(iv) in the event of any sale on credit or for part cash and part credit, the Lender shall not be accountable for or charged with any monies until such monies are actually received by the Lender;

(v) the Lender may rescind or vary any contract of sale and may buy in and re-sell the Mortgaged Land or any part thereof without being answerable for any loss occasioned thereby;

(vi) the Lender may sell all or any part of the buildings, fixtures, machinery, equipment, crops and standing or fallen trees or any severable part of the

Mortgaged Land and the purchaser shall have all necessary access for severing, cutting and removal;

- (vii) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety, and no lack of default, lack of notice or failure to comply with any requirement, and no irregularity or impropriety of any kind shall invalidate any sale or lease by the Lender;
- (viii) the Lender may sell or lease without entering into actual possession of the Mortgaged Land but when it wishes to take possession it may break locks and bolts and while in possession shall only be accountable for monies received by it;
- (ix) subject to compliance with all applicable law, sales may be made from time to time of any part or parts of the Mortgaged Land to satisfy any portion of the Debt, leaving the balance of the Debt secured by the Charge on the remainder of the Mortgaged Land, or the Lender may take proceedings to sell and may sell the Mortgaged Land for part of any sums owing or in arrears subject to the balance of said sums not yet due at the time of the said sale;
- (x) the Borrower hereby appoints the Lender as the Borrower's true and lawful attorney and agent to do all things and execute all documents to effectually complete any such sale or lease;
- (xi) the Lender may lease or take sale proceedings notwithstanding that other proceedings have been taken or are then pending;
- (xii) the Lender shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by its wilful neglect or default; and
- (xiii) no sale or other dealing by the Lender with the Mortgaged Land or any part thereof shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower or any other person liable for payment of the Debt.

Despite the foregoing power of sale, the Lender shall be entitled to its right of foreclosure of the right of redemption of the Borrower as fully as if the power of sale were not contained herein.

- (e) The Lender may forthwith take such proceedings to realize on its security created by the Charge by foreclosing against the Mortgaged Land or by any other action or act to which it is entitled by law.

- (f) The Lender may appoint a receiver, receiver manager and receiver and manager (collectively a "Receiver") of the Mortgaged Land and of all the properties, assets, effects and undertakings (hereinafter all together called the "Undertakings") of the Borrower relating to or arising out of the Mortgaged Land and may from time to time remove any Receiver so appointed and appoint another in his stead, but the Lender shall be under no liability to the Receiver for his

remuneration or otherwise, and a Receiver so appointed shall be the agent of the Borrower and shall have power:

- (i) to take possession of and get in the Mortgaged Land and the Undertakings;
- (ii) to sell or lease or concur in selling or leasing the Mortgaged Land and the Undertakings;
- (iii) to make any arrangement or compromise which he shall think expedient; and
- (iv) to the extent permitted by law or to such lesser extent permitted by his appointment, to carry on, or concur in the carrying on of, any development or improvement then in progress or otherwise contemplated by the Borrower relating to the Mortgaged Land or the business of the Borrower relating to the Mortgaged Land and for such purpose from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of the Mortgaged Land and the Undertakings which security may rank before or *pari passu* with or behind the Charge as such security may specify and if it does not so specify it shall rank before the Charge.

(g) The Lender may distrain for payment of amounts owing under the Charge upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover the same by way of rent reserved as in the case of demise of the Mortgaged Land and all costs, charges and expenses incurred by or on behalf of the Lender with respect to or in connection therewith as in like cases of distress for rent. The Borrower waives the right to claim exceptions and agrees that the Lender shall not be limited in the amount for which it may distrain.

(h) The taking of a judgment or judgments on any of the covenants herein or in the Charge contained shall not operate as a merger of the said covenants or affect the Lender's right to interest under the Charge at the Actual Charge Rate and the said judgment may provide at the option of the Lender that interest thereunder shall be computed at the Actual Charge Rate until the said judgment shall have been fully paid and satisfied.

9.3 The net proceeds of any sale or lease, or both, hereunder shall be applied, subject to the claims of all secured and unsecured creditors (if any) ranking in priority to the Charge and security interest created by the Charge, as the Lender, in its absolute discretion, may direct:

- (a) in payment of any costs, charges, expenses and legal fees (between solicitor and his own client):
 - (i) incurred in taking, recovering or keeping possession of all or part of the Mortgaged Land or by reason of non-payment of the Debt; and
 - (ii) of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including his reasonable remuneration and all outgoings properly payable by him;

- (b) in or toward payment to the Borrower of the Principal;
- (c) in or toward payment of interest and compound interest owing under the Charge;
and
- (d) in or toward payment of other monies owing under the Charge.

The Borrower shall be liable for and shall pay to the Lender all Debt which remains unsatisfied.

9.4 In addition to any other rights and remedies of the Lender under the Charge, if the Borrower or any Guarantor fails to perform the covenants and obligations contained in the Charge, or if there is a legal proceeding that may, at the Lender's discretion, significantly affect the Lender's interest in the Mortgaged Land or under the Charge, or both, including, but not limited to, proceedings such as tax arrears, bankruptcy, probate, a lien or enforcement thereof which may attain priority over the Charge, or if the Borrower forfeits or abandons the Mortgaged Land, the Lender may do, pay, or take whatever steps that are necessary and reasonable or appropriate to protect the Lender's interest in the Mortgaged Land and rights under the Charge.

9.5 All rights and remedies of the Lender under the Charge are cumulative and no right or remedy is intended to be exclusive but each is in addition to every other right or remedy contained in the Charge or now or hereafter existing at law, in equity or by statute. No performance of any covenant of the Borrower or any Guarantor by the Lender shall relieve the Borrower or a Guarantor from default.

10.0 CERTAIN IMPLIED COVENANTS

If the Mortgaged Land is located in Ontario, any covenants deemed by statute to be included in the Charge are expressly excluded from the Charge, including, without limitation, Subsection 7(1) of the *Land Registration Reform Act* (Ontario).

11.0 ASSIGNMENT OF LEASES AND RENTS

If the Borrower or any predecessor of the Borrower grants or has granted any lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

- (a) The assignment of each of the foregoing and of each of the rents and other amounts by the Borrower to the Lender pursuant to Section 2.1 hereof shall be deemed to be a separate assignment so that the Lender in its discretion may exercise its rights in respect of any or all of such leases, tenancy agreements or other similar agreements or the rents or other amounts paid or payable thereunder.
- (b) Until a Default occurs the Borrower may collect, retain and apply all rents and other similar amounts and deal with all leases, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

(c) The Borrower agrees as follows:

- (i) the existing leases are good and valid and subsisting leases and there has been no default of a material nature which has not been remedied under any of the existing leases by any of the parties thereto;
- (ii) the Borrower will observe and perform all of its obligations under each of the leases;
- (iii) subject to the provisions above, the Borrower shall be permitted to collect and receive the rents as and when they shall become due and payable according to the terms of each of the leases unless and until default;
- (iv) nothing herein contained shall have the effect of making the Lender, responsible for the collection of rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the leases or any of them to be observed or performed by the Borrower or to give or take any notice or action or exercise any remedy under any lease and any failure to do so on the part of the Lender shall not release, discharge, postpone or otherwise affect the present assignment of rents and leases, and the Lender shall not, by virtue of the Charge or its receipt of the rents or any of them, become or be deemed a mortgagee in possession of the Mortgaged Land and the Lender shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the leases or any of them; and the Lender shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses and other proper deductions;
- (v) the Borrower will not lease or agree to lease any part of the Mortgaged Land except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable than those which a prudent landlord would expect to receive for the premises to be leased; and
- (vi) the Lender is authorized in the name of the Borrower (but shall not be bound unless it sees fit) to take from time to time any proceeding which in the opinion of the Lender or its lawyers may be expedient for the purpose of enforcing all right and benefit under any leases; also to demand and receive such monies and benefits under any sublease or further assignment by the Borrower with the consent of the Lender and to give acquittances therefor; also to settle, compromise or submit to arbitration any dispute which has arisen or may arise in respect to the amount of such monies or any benefit; and any settlement arrived at shall be binding upon the Borrower.
- (d) Nothing in the Charge shall constitute an assignment of leases and rents which are not assignable or which require the consent of a third party. In each such case the Borrower shall, unless the Lender otherwise agrees in writing, use all reasonable efforts to obtain any such consents so that the Lender may exercise its rights under the Charge including, in the event of a Default, the right to assign any or all of the leases and rents to a third party. Until any such consent is obtained the

Borrower shall hold all benefits derived from the leases and rents requiring consent in trust for the Lender as additional security for the Debt.

- (e) The Lender may at any time without further request or agreement by the Borrower reassign to the Borrower any or all of such leases and rents.

12.0

GUARANTEE

The following shall apply to each Guarantor:

- (a) The Guarantor unconditionally guarantees to the Lender payment when due of all Debt and the performance by the Borrower of each of the agreements, conditions, obligations and provisions to be observed or performed by the Borrower pursuant to the Charge. The Guarantor hereby adopts and agrees to observe and perform each of the agreements, conditions, obligations and provisions to be observed and performed by the Borrower under the Charge.
- (b) This guarantee is given by the Guarantor as principal debtor and not as surety and the Guarantor shall be liable to the Lender in the same manner and to the same extent as if the Guarantor had executed the Charge as Borrower.
- (c) This guarantee shall not be, nor be deemed to have been waived, released, discharged, impaired or affected by reason of the assignment or reassignment of the Charge at any time and from time to time, by reason of any amendment or modification to the Charge, or by reason of the release or discharge of the Borrower in any creditor, receivership, bankruptcy, insolvency or other proceedings.
- (d) In the event of any Default, the Guarantor waives any right to require the Lender to proceed against the Borrower or to seek or exhaust the Lender's rights, remedies or recourse against the Borrower, the Mortgaged Land, or any other person or security before proceeding against the Guarantor or obtaining payment from the Guarantor of all Debt.
- (e) The Guarantor expressly waives the benefits of discussion and division and notice of Default.
- (f) The Guarantor acknowledges that the Charge would not have been entered into by the Lender without this guarantee.
- (g) The Lender, without exonerating the Guarantor in whole or in part may, without the Guarantor's consent, grant time, renewals, extensions, indulgences, releases and discharges to, may take securities (including the Charge) from, and may give the same and any and all existing securities up to, may abstain from taking securities from or perfecting securities (including the Charge) of, may accept compositions from, or may otherwise deal with the Borrower and all other persons (including any other guarantor or Guarantor) and securities, as the Lender may see fit.

- (h) All dividends, compositions and amounts received by the Lender from the Borrower or from any other person or estate capable of being applied by the Lender in reduction of the Debt hereby guaranteed, shall be regarded for all purposes as payments in gross.
- (i) The Lender shall be entitled to prove against the estate of the Borrower upon any insolvency or winding-up in respect of the whole of the Debt, and the Guarantor shall have no right to be subrogated to the Lender in respect of any such proof or otherwise until the Lender shall have received from such estate or the Guarantor payment in full of all amounts then owing to the Lender.
- (j) The Guarantor acknowledges that this guarantee has been delivered free of any conditions and that no representations or warranties have been made to the Guarantor affecting the Guarantor's liability under this guarantee or otherwise.
- (k) This guarantee is in addition to and not in substitution for any other guarantee or guarantees now or hereafter held by the Lender.
- (l) This guarantee shall remain in full force and effect until all Debt has been indefeasibly paid in full and until the Lender has delivered a written release to the Guarantor.
- (m) The Guarantor shall, on demand by the Lender, reimburse the Lender for all costs incurred by the Lender in enforcing this guarantee and the other provisions of the Charge.
- (n) Whenever this guarantee is given by more than one person, all covenants, liabilities and obligations of the Guarantor shall be joint and several. The obligations of the Guarantor shall be binding on the Guarantor and may be enforced by the Lender or by a successor or assignee of the Lender, whether or not any notice is given of such assignment.

13.0

GOVERNING LAW

The Charge shall be governed by the laws of jurisdiction in which the Mortgaged Land is located.

14.0

HEADINGS

Headings in the Charge are inserted for convenience of reference only and shall not affect, enlarge or modify the interpretation or construction of the Charge.

15.0

MISCELLANEOUS

- (a) Any notice or demand to the Borrower or any Guarantor provided for in the Charge may be given at the address set out in the Charge Form or at the Borrower or any Guarantor's last known address as shown on the Lender's records. Such notice or demand shall be given by personal delivery or by prepaid mail and shall be deemed to have been received on the date of delivery if personally delivered or

on the fifth day after the same is mailed if mailed unless there is a postal disruption in which case any notice or demand shall be delivered.

- (b) The taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of such covenants or affect the Lender's right to interest under the Charge and such judgment may provide, at the option of the Lender, that interest thereon shall be computed at the Actual Charge Rate until it has been fully paid and satisfied.
- (c) Whenever the Charge is made or assumed by more than one person, all such persons shall be jointly and severally liable for all agreements, liabilities and obligations contained therein unless the Charge otherwise specifies.
- (d) Where the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing one gender shall include each other gender.
- (e) Time shall be of the essence of the Charge.
- (f) To the extent permitted by law, all provisions of the Charge shall have effect notwithstanding any statute to the contrary.
- (g) The rights granted to the Lender by the Charge shall be in addition to all other rights available to the Lender by statute or other law.
- (h) The doctrine of consolidation is not abolished with respect to the Charge.
- (i) If any provision of the Charge is found by a Court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Charge shall remain in full force and effect without such provision.

MONTREAL TRUST COMPANY OF CANADA
and EQUITYPLUS FINANCIAL INC. by their
solicitors Fraser Milner Casgrain LLP

Per: _____

Yvonne L. McAndrew
Yvonne L. McAndrew

END OF SET

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 20014 Cote



CHARGE TERMS

LAND REGISTRATION REFORM ACT

SET OF STANDARD CHARGE TERMS
FOR ELECTRONIC DOCUMENTS
(COLLATERAL CHARGES)

ROYAL BANK OF CANADA
ROYAL TRUST CORPORATION OF CANADA

Filed by:
ROYAL BANK OF CANADA and
ROYAL TRUST CORPORATION OF CANADA

Filing Date: June 28, 2001
Filing Number: 20015

The following set of standard charge terms shall apply to electronic documents submitted for registration under Part III of the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this set of standard charge terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act.

Any charge in an electronic format of which this set of standard charge terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge". Whenever reference is made in this set of standard charge terms to the Charge it shall include this set of standard charge terms and all terms and provisions of this set of standard charge terms.

Any reference to the "Computer Field" in the Charge means a computer data entry field in a charge registered pursuant to Part III of the Land Registration Reform Act into which the terms and conditions of the Charge may be inserted.

1. CHARGE

The chargor or chargors indicated in the Computer Field of the Charge entitled "Chargor" (the "Chargor") charges the lands and premises indicated in the Computer Field of the Charge entitled "Description" (the "Charged Premises") with the payment to the chargee indicated in the Computer Field of the Charge entitled "Chargee" (the "Chargee") of the principal and interest and all other monies secured by the Charge upon the terms as set out in the Charge.

2. COLLATERAL SECURITY

The Chargor has at the request of the Chargee agreed to give the Charge as a continuing collateral security for payment and satisfaction to the Chargee of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the Chargor to the Chargee incurred or arising either before or after the delivery for registration of the Charge and whether incurred by or arising from agreement or dealings between the Chargor and the Chargee or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (such obligations, debts and liabilities being herein called the "Liabilities"). It is agreed by the Chargor and the Chargee that the Charge at any one time will secure only that portion of the aggregate principal component of the Liabilities outstanding at such time which does not exceed the sum set out in the Computer Field in the Charge entitled "Principal" (herein called the "Principal Amount"), together with any interest or compound interest accrued on the portion of the Principal Amount outstanding at such time at the Charge Rate, as hereinafter defined, plus such costs and expenses to which the Chargee is entitled pursuant to the Charge.

3. COVENANTS REGARDING LIABILITIES

The Chargor and the Chargee agree as follows:

- (a) That the Chargor covenants to pay to the Chargee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation.
- (b) That no part of the Liabilities existing at the date of the Charge or incurred or arising thereafter, shall be deemed to be unsecured by the Chargee.
- (c) That the Charge is and shall be a continuing collateral security to the Chargee for the amount of the Liabilities and interest and costs as provided in the Charge and shall be deemed to be taken as security for the ultimate balance of the Liabilities; and the Chargee shall not, nor shall anything therein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by the Chargee either before or after registration of the Charge from the Chargor or from any other person or persons and the Charge shall not in any way prejudicially affect any security held either before or after the registration of the Charge by the Chargee for the Liabilities or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the Liabilities or any part or parts thereof, nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of the Charge.
- (d) That any and all payments made in respect of the Liabilities and interest and the monies or other proceeds realized from the sale of any securities held therefor, including the Charge, may be applied and reapplied notwithstanding any previous application on such part or parts of such Liabilities or interest as the Chargee may see fit or may be held unappropriated in a separate collateral account for such time as the Chargee may see fit.
- (e) That the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or from perfecting securities or guarantees of, may accept compositions from and may otherwise deal with the Chargor and all other persons, securities and guarantees as the Chargee may see fit without prejudicing the rights of the Chargee under the Charge.
- (f) That the taking of judgement in respect of the Liabilities or any instrument or instruments now or hereafter representing or evidencing the Liabilities or under any of the covenants in the Charge or in any such instrument contained or implied shall not operate as a merger of the Liabilities or such instrument, instruments or covenants, nor affect the Chargee's right to interest at the rate and times provided in the Charge, nor affect nor prejudice any rights or remedies given to the Chargee by the terms of the Charge.

4. INTEREST

(a) VARIABLE INTEREST RATE

If the interest rate indicated in the Computer Field of the Charge entitled "Rate" is based upon the Prime Rate, as hereinafter defined, the rate of interest chargeable on the Principal Amount is a rate equal to the Prime Rate per annum as the same will vary from time to time, plus the number of percentage points per annum, if any, indicated in the Computer Field of the Charge entitled "Rate" (the "Variable Interest Rate") and shall be payable monthly, and calculated monthly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

The Variable Interest Rate will vary automatically, without notice to the Chargor, each time there is a change in the Prime Rate. The Variable Interest Rate will always be the Prime Rate plus the number of percentage points per annum, if any, indicated in the Computer Field of the Charge entitled "Rate", payable monthly and calculated monthly, not in advance, as well after as before maturity of the Charge and both before and after default and judgement until paid.

"Prime Rate" means the annual rate of interest announced from time to time by the Chargee being a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. In the event that it may be necessary at any time for the Chargee

to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate as set forth in the said certificate.

(b) FIXED INTEREST RATE

If the interest rate indicated in the Computer Field of the Charge entitled "Rate" is a specified annual percentage not based on the Prime Rate (the "Fixed Interest Rate"), the rate of interest chargeable on the Principal Amount is that Fixed Interest Rate per annum, payable monthly, and calculated monthly, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

(c) For the purposes of the Charge the Fixed Interest Rate or the Variable Interest Rate, as the case may be, are hereinafter referred to as the "Charge Rate". Whenever reference is made to the Charge Rate it shall mean the rate of interest indicated in the Computer Field of the Charge entitled "Rate", and interest shall be calculated and payable as set out in the Charge.

5. DEFEASANCE

The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act, shall be and are hereby expressly excluded from the terms of the Charge.

Provided the Charge shall be void upon the Chargor paying on demand to the Chargee the ultimate balance of the Liabilities, such balance not to exceed the Principal Amount, and all promissory notes, bills of exchange and any other instruments whatsoever from time to time representing the Liabilities or any part thereof, together with interest thereon either: a) where the Charge provides for a Variable Interest Rate, at the Variable Interest Rate per annum, calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the Charge Rate; or b) where the Charge provides for a Fixed Interest Rate, at the Fixed Interest Rate per annum, calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the Principal Amount and all other amounts payable by the Chargor under the Charge and paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Charge.

6. COMPOUND INTEREST

It is agreed that if default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Charge Rate, and in case the interest and compound interest are not paid on the next payment date after the date of default a rest shall be made, and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises and shall be secured by the Charge.

7. TAXES

With respect to municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the Charged Premises, it is mutually agreed between the parties to the Charge that:

(a) The Chargee may deduct from any advance of monies to the Chargor an amount sufficient to pay the taxes which have become or will become due and payable at the date of such advance and are unpaid at the date of such advance.

(b) The Chargor shall pay to the Chargee in monthly instalments on the dates on which instalments of principal and interest are payable under the Charge, sums sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment of taxes.

(c) Where the period between the date of the advance and the end of the calendar year is less than one year the Chargor shall pay to the Chargee in equal monthly instalments, during such period and during the next succeeding 12 months period, an amount estimated by

the Chargee to be sufficient to pay, on or before the expiration of the said 12 months period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 months period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed such estimated amount.

(d) Except as provided in the last preceding clause, the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the taxes next becoming due and payable; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the said actual taxes exceed such estimated amount.

(e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion; and the Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, in the Charge account outstanding after payment of taxes by the Chargee, until such debit balance is fully repaid.

(f) The Chargor shall reimburse the Chargee, on demand, for any fees paid or charges incurred by the Chargee to a municipality or other tax authority from time to time in connection with the administration of the tax account, including any fees or charges for the obtaining of information or searches or certificates in respect thereof, or the payment of taxes in any manner and the Chargor authorizes the Chargee to deduct the amount of such fees or charges from the tax account.

The Chargee agrees to apply the foregoing deductions and payments to the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payment of the principal and or interest in default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

Notwithstanding the provisions set out in this section, the Chargee may elect not to require payment of taxes to it in which case the Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

8. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a charge by subsection 7(l) of the Land Registration Reform Act, shall be and are hereby expressly excluded from the terms of the Charge.

9. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby covenant, promise and agree to and with the Chargee as follows

(a) To Pay and Observe Covenants

That the Chargor shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount secured by the Charge with interest at the Charge Rate at the times and in the manner limited for payment thereof in the Charge, and shall do, observe, perform, fulfil and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay and shall also pay all other sums as the Chargee may be entitled to under the Charge

(b) For Good Title

That the Chargor at the time of delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or

conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(c) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee in the manner set out in the Charge.

(d) Quiet Possession on Default

That from and after default in the payment of the Principal Amount, or the interest thereon, or any part thereof, or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or the lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognition and of any other charges or encumbrances whatsoever.

(e) Further Assurances

That from and after default shall happen to be made of or in the payment of the Principal Amount then outstanding, or the interest thereon, or any part of the Principal Amount or interest, as set forth in the Charge or of or in the doing, observing, performing, fulfilling or keeping of some one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning thereof, then and in every such case the Chargor, and all and every person or persons whosoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor, shall and will, from time to time, and at all times thereafter, make, do, suffer and execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee, or its solicitor shall or may be lawfully and reasonably devised, advised, or required.

(f) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever.

(g) Insurance

- (i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, earthquake, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter, and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto

appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled, but shall not be obliged, to insure the said buildings or any of them, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at the Chargor's own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a printed copy of the Charge shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on account of the amounts secured by the Charge or any part thereof whether due or not then due.

- (ii) If the Charged Premises are part of a Condominium the insurance provisions set out in paragraph (a) above will not apply and the following will apply to the Charge:

That the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, earthquake, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policies of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on him by the *Condominium Act*, R.S.O. 1990, c.C.26, as amended or replaced (the "Condominium Act") and by the Declaration and By-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants

10 RELEASE

The Chargor has released, remised and forever quitted claim, and by these presents does release, remise, and forever quit claim unto the Chargee, all right, title, interest, claim and demand whatsoever of, in, unto and out of the Charged Premises and every part thereof, so as that the Chargor shall not or may not at any time hereafter have, claim, pretend to challenge or

demand the Charged Premises or any part thereof, in any manner howsoever, subject always to the proviso for defeasance.

11. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof required by the Chargee or in the observing, performing, fulfilling or keeping of one or more of the covenants of the Chargor provided in the Charge may enter into possession of the Charged Premises or the lands and premises intended to be charged and take the rents, issues and profits and, whether in or out of possession, make such lease or leases as it shall think fit, and also on fifteen days' default as aforesaid and after giving at least thirty-five days' written notice to the persons and in the manner prescribed by Part III of the *Mortgages Act*, R.S.O. 1990, c. M.40, as amended (the "Mortgages Act"), may sell the Charged Premises or the lands and premises intended to be charged by the Chargee or any part or parts thereof by public auction or private contract, or partly the one and partly the other, and may convey and assure the same when so sold to the purchaser or purchasers thereof as the purchaser shall direct and may do all such assurances, acts, matters and things as may be found necessary for the purposes aforesaid, and the Chargee shall not be responsible for any loss which may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its wilful neglect or default. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the Charged Premises, if occupied, or by placing it on some portion of the Charged Premises, if unoccupied, or at the option of the Chargee, by mailing it by registered mail addressed to the Chargor at the Chargor's last known address and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person or persons to be affected thereby may be unknown, unascertained or under disability. It is hereby further agreed that the proceeds of sale under the Charge may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Charged Premises or by reason of non-payment or procuring payment of monies, secured hereby or otherwise, and that the Chargee may sell all or any part of the Charged Premises on such terms as to credit and otherwise as shall appear to it most advantageous and for such price as can reasonably be obtained therefor and may make any stipulation as to title or evidence or commencement of title or otherwise which it may deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Charged Premises and resell without being answerable for loss occasioned thereby, and, in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease under the Charge; and that the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given in compliance with the *Mortgages Act*, or had been given improperly, but any person damaged by an unauthorized, improper, or irregular exercise of the power shall have his remedy against the person exercising the power in damages only. The Chargee may sell fixtures, machinery, crops and standing or fallen trees apart from the lands, and the purchaser as well as the Chargee shall have all necessary access for securing, cutting and removal. It is agreed between the parties to the Charge that nothing in this section contained shall prejudice or diminish any other rights and remedies and powers of the Chargee in the Charge contained or existing at law by virtue thereof.

And it is further agreed between the parties to the Charge that until such sale or sales shall be made as aforesaid, the Chargee shall and will stand possessed of the rents and profits of the Charged Premises in case it shall take possession of them on default as aforesaid and after such sale or sales shall stand possessed of the monies to arise and be produced from such sales, or which might arise from any insurance upon the Charged Premises or any part thereof upon trust firstly in payment of all the expenses incident to the sales, leases, conveyances, or attempted sales, leases or conveyances, secondly in payment of all costs, charges, damages and expenses of the Chargee relating to taxes, rents, insurance, repairs, utilities and any other amounts which the Chargee may have paid relating to the Charged Premises, thirdly in discharge of all interest and costs then due in respect of the Charge, fourthly in discharge of the portion of the Principal Amount then outstanding secured by the Charge, fifthly in payment of any subsequent encumbrancers according to their priorities and the residue shall be paid to the Chargor as the Chargor may direct and shall also, in such event, at the

request, cost and expense of the Chargor, transfer, release and assure unto the Chargor or to such person or persons as the Chargor shall direct and appoint, all such parts of the Charged Premises as shall remain unsold for the purposes aforesaid, discharged from all the Charge, but no person who shall be required to make or execute any such assurances shall be compelled for the making thereof to go or travel from his usual place of abode. Provided always, and it is hereby further declared and agreed by and between the parties to the Charge, that notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge.

12. DISTRESS

Provided that and it is further stipulated, provided and agreed by and between the parties to the Charge that the Chargee may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

13. PRINCIPAL DUE ON DEFAULT OF PERFORMANCE OF COVENANTS

It is agreed by the Chargor and the Chargee that if any default shall occur in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises, then, at the option of the Chargee, the principal amount secured by the Charge shall forthwith become due and payable subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right to call in the Principal Amount or any portion thereof then outstanding and shall not be therefore debarred from asserting and exercising its right to call in the principal amount upon the happening of any future default or breach.

14. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

Provided and it is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same, or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

15. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the parties to the Charge that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount of the monies secured by the Charge; and that all advances are to be made in such manner, at such times and in such amounts up to the full amount of said monies as the Chargee, in its sole discretion, may determine. The Chargor agrees that notwithstanding the Chargor's authorization of registration and the registration of the Charge or the advancement of any part of the monies, the Chargee is not bound to advance the monies or any unadvanced portion thereof and the advance of the monies and any part thereof from time to time shall be in the sole discretion of the Chargee, but nevertheless the Charge shall take effect forthwith upon the delivery for registration of the Charge and the expenses of the examination of the title and of the Charge and valuation are to be secured hereby, the same to be charged by the Chargee upon the Charged Premises and shall be without demand thereof, payable forthwith with interest at the Charge Rate and in default the Chargee's power of sale hereby given, and all other remedies under the Charge or at law shall be exercisable

16. FIXTURES

It is hereby mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise either on the date of delivery for registration of the Charge or thereafter put upon the Charged Premises including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aenals, air conditioning, ventilating, lighting and water heating equipment cooking and refrigeration equipment cleaning and drying equipment window blinds, radiators and covers, fixed mirrors,

fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall be a portion of the security for the amounts secured by the Charge.

17. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the monies secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said monies or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the monies secured by the Charge and all legal and other expenses incurred by the Chargee in connection with such release or releases.

18. DEFAULT IN PRIOR CHARGES

It is hereby agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or other encumbrance to which the Charge is subject or subordinate, then and in that event the monies secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as therein provided.

19. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against the Charged Premises, the Chargee shall have the right, but not the obligation to pay into court such amounts as may be required to remove the lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all expenses incurred by the Chargee in connection therewith, including all solicitor's charges or commissions, as between a solicitor and his client, shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

20. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

21. INSPECTION

The Chargee, its agent, employees, and independent contractors may, at any time, enter upon the Charged Premises to fully inspect the Charged Premises and where deemed necessary and/or advisable by the Chargee, and, notwithstanding section 14 hereof, to conduct investigations including intrusive testing and sampling on the Charged Premises for the purpose of determining the presence of or the potential for environmental contamination and the reasonable cost of such inspection shall be added to the debt secured by the Charge and shall

bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

22. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations or additions to the Charged Premises without the prior written consent of the Chargee.

23. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

(a) The Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant (as defined herein) and further covenants and agrees not to rent, lease, enter into a tenancy agreement or allow occupancy by a Tenant of the whole or any part of the Charged Premises (any of the aforesaid being hereinafter referred to as "Renting") without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;

(b) The Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the Mortgages Act.

(c) In the event that any of the covenants contained in this section shall be breached then, at the option of the Chargee, all monies hereby secured with accrued interest thereon shall forthwith become due and payable;

(d) If the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on this security and the amount so paid shall be added to the debt hereby secured and be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee. the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable.

(e) When used in this section Tenant shall have the meaning set out in Section 1 of the *Tenant Protection Act, 1997, S.O. 1997, c 24*, as amended.

24. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant or affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgement shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgement shall have been fully paid and satisfied

25. RIGHTS ON DEFAULT

And the Chargor covenants and agrees with the Chargee that in the event of default in the payment of any instalment of principal, interest or taxes secured by the Charge or any other monies payable under the Charge by the Chargor or on breach of any covenant, proviso or agreement contained in the Charge after all or any part of the monies secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the Charged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises, and for environmental remediation to bring the Charged Premises into compliance with recognized environmental standards, statutory or otherwise, as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable by the Chargor to the Chargee, and shall be a charge upon the Charged Premises prior to all claims thereon subsequent to the Charge and shall bear interest at the Charge Rate until paid.

26. OBLIGATIONS SURVIVE SALE

Provided further that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies secured by the Charge.

27. DUE ON SALE

Provided that in the event of the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises then, at the option of the Chargee, all monies secured by the Charge shall forthwith become due and payable.

28. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge existing now or existing after the date of the Charge, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including, without limitation, any taxes, utility charges or other rates on the Charged Premises, any construction lien, or any amounts payable to a Condominium Corporation, and may pay all costs, charges and expenses and all solicitor's charges or commissions, as between a solicitor and his client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with or to realize upon this security, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other monies paid under the Charge by the Chargee shall be added to the debt secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in the paragraph dealing with power of sale and shall entitle the Chargee to exercise the power of sale and all other remedies hereby given. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

29. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c.O.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the debt hereby secured and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

30. EXTENSIONS

Provided that no extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured.

31. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the monies secured by the Charge within which to prepare and register a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee and all legal and other expenses for the preparation and registration of such discharge or assignment and any administrative charge or fee of the Chargee shall be borne by the Chargor.

32. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge either concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon this or any other such security.

Without limiting the generality of the foregoing, the Charge is in addition to, and not in substitution for, any other charges now or hereafter held by the Chargee over the Charged Premises as security for monies secured under the Charge or any other monies due to the Chargee. It is understood and agreed that the aggregate of principal amounts secured by the Charge and any such other charges shall be the aggregate of the Principal Amount of the Charge and the principal amounts secured under any such other charges.

33. PLACE OF PAYMENT AND WITHHOLDINGS FROM PAYMENTS

(a) **Place of Payment.** Provided that all such payments secured by the Charge shall be made at the branch of the said Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

(b) **Withholdings from Payments.** If the Chargor is required by law to make any deduction or withholding from any sum payable by the Chargor to the Chargee under the Charge, then the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Chargee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or been required to be made; and the Chargor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Chargee within thirty days after the Chargor has made such payment to the applicable authority a receipt issued by such authority evidencing such payment

(c) **Tax on Loan.** The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Income Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon that the Chargee may be called upon to pay together with interest from the date on which such Income Taxes are paid by the Charge at the rate and compounded in the manner provided in the Charge

34. SPOUSE'S CONSENT

The spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

35. **FAMILY LAW ACT**

The Chargor covenants and agrees that:

(a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the *Family Law Act*, R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, and

(b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in clause (a) above as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the *Vital Statistics Act*, R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in its possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse, and on default the Principal Amount, interest and all other monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable.

36. **SEVERABILITY OF ANY INVALID PROVISIONS**

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute or regulation thereunder or any other applicable law, or would by reason of the provisions of any such statute or regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the advances secured by the Charge which it would otherwise be able to collect under such statute or regulation or other applicable law, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

37. **NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS**

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or default under the Charge of the Chargor shall relieve the Chargor from any default thereunder; and no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future default or breach.

38. **FARM LANDS**

If the Charged Premises are farm lands, the Chargor will in each year during the currency of the Charge either put into crop or summer fallow in good, proper and husbandlike manner every portion of the Charged Premises which has been or may hereafter be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

39. **CHANGE OF CORPORATE CONTROL**

Where the Chargor is a corporation the Chargor covenants and agrees that in the event that:

(a) the Chargor fails to supply to the Chargee, in a form satisfactory to the Chargee, such information relating to the ownership of its shares as the Chargee may from time to time require; or

(b) without the written consent of the Chargee first had and obtained,

(i) the Chargor issues or redeems any of its shares or transfers any of its shares,

(ii) there is a sale or sales of the shares of the Chargor which result in the transfer of the legal or beneficial interest of any of the shares of the Chargor, or

- (iii) the Chargor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Chargor, then all monies secured by the Charge together with accrued interest thereon shall forthwith become due and payable at the option of the Chargee and the Chargee's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

40. COMPLIANCE WITH THE LAW AND ENVIRONMENTAL COMPLIANCE.

The Chargor hereby represents and warrants to the Chargee that:

- (a) there is not in, on or about the Charged Premises any product or substance or condition (including, without restriction, contaminants, wastes, moulds or hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Chargor, no circumstance has existed on the Charged Premises or exists or has existed on any land adjacent to the Charged Premises which constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued or is pending relating to an environmental condition on the Charged Premises; and
- (d) the Charged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment.

The Chargor hereby covenants and agrees with the Chargee as follows:

- (a) the Chargor shall give to the Chargee immediate notice of any material change in circumstances in respect of the Charged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (d) inclusive to become untrue; and
- (b) the Chargor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Charged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

The Chargor further covenants and agrees with the Chargee at all times promptly to observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders, regulations and equivalent of every government authority dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, contaminants, wastes, hazardous or toxic materials, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor shall from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance and pay immediately when due the cost of removal of any such contaminants, wastes and materials, and shall at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and shall take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order, regulation, covenant or equivalent, and the Chargor shall cause its tenants, agents and invitees to comply with all the foregoing at their own expense.

The Chargor shall indemnify and hold harmless the Chargee (and its directors, officers, employees and agents) from and against all loss, cost, damage or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claim) due to the Chargor's failure to comply with any of the covenants and agreements in this clause, or due to the presence of any contaminant, waste, mould or hazardous or toxic material referred to in this clause, as well as any lien or priority asserted with respect thereto, and this

indemnity shall survive the discharge of the Charge or the release from the Charge of part or all of the Charged Premises.

41. CONDOMINIUMS

If the Charge is of a unit or units within a Condominium the following provisions shall apply:

(a) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws, and the rules as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.

(b) Without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as an owner of the Charged Premises and in the event of default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.

(c) The Chargor hereby irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

- (i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
- (ii) the Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor; and
- (iii) the exercise of the right to vote or consent shall not constitute the Chargee a chargee in possession.

(d) The Chargor covenants and agrees to advise the Condominium Corporation to send all notices to the Chargee and to notify the Chargee of any breaches by the Condominium Corporation that come to the attention of the Chargor in order that the Chargee is kept fully informed.

42. RECEIVERSHIP

Notwithstanding anything contained in the Charge, it is declared and agreed that at any time and from time to time when there shall be default under the provisions of the Charge, the Chargee may, at such time and from time to time and with or without entry into possession of the Charged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver (which term as used herein includes a receiver manager and also includes the plural as well as the singular) of the Charged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in such receiver's stead, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver from time to time the following provisions shall apply:

(a) Every such receiver shall have unlimited access to the Charged Premises as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority (which power and authority shall not be revocable by the Chargor) to:

- (i) collect the rents and profits from tenancies whether created before or after these presents;

- X
- (ii) rent any portion of the Charged Premises which may be or become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (iii) complete the construction of any building or buildings or other erections or improvements on the Charged Premises left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and
 - (iv) manage, operate, repair, alter or extend the Charged Premises or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver may do in the Charged Premises.

- (b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.
- (c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Charged Premises.
- (d) Every such receiver shall be deemed to be the agent or attorney of the Chargor and, in no event, the agent of the Chargee and the Chargee shall not be responsible for the receiver's acts or omissions.
- (e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a chargee in possession of the Charged Premises.
- (f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by the receiver in respect of the Charged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

- (i) the remuneration of the receiver aforesaid;
- (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's powers and authority hereby conferred;
- (iii) interest, principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to the Charge, including taxes;
- (iv) to the Chargee, all interest, principal and other monies due under the Charge to be paid in such order as the Chargee in its discretion shall determine.
- (v) and thereafter, every such receiver shall be accountable to the Chargor for any surplus

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the Charged Premises and shall bear interest from the date of demand at the Charge Rate

- (g) Save as to claims for accounting under clause (i) of this paragraph the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud

(h) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

(i) The statutory declaration of an officer of the Chargee as to default under the provisions of the Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers provided for in the Charge and such dealing shall be deemed, as regards such person, to be valid and effectual.

(j) The rights and powers conferred in and by the Charge in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.

43. COMPLIANCE WITH THE LAW

The Chargor covenants and agrees at all times to promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

44. CHARGEЕ EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any monies payable under the Charge, including, without limiting the generality of the foregoing, all solicitors' fees, on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge prior to all claims thereon subsequent to the Charge.

45. INTERPRETATION

And it is hereby agreed and declared that the expression "the Chargor" used in these standard charge terms and the Charge shall include the heirs, executors, personal representatives, administrators, successors and assigns of each and every Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and (if the Charge affects a Condominium) the expression "Condominium Corporation" shall mean the Condominium Corporation referred to in the description and the expression "Declaration" shall mean the declaration registered in connection with the Condominium Corporation, and the words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders where the context so requires, and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, personal representatives, executors, administrators, successors, and assigns and that all such covenants, liabilities and obligations shall be joint and several, and that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor herein contained or implied are and are to be construed as both joint and several.

46. **PARAGRAPH HEADINGS**

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

47. **DATE OF CHARGE**

The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

48. **EFFECT OF DELIVERY**

The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge, agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this 26 day of June, 2001.

ROYAL BANK OF CANADA

By: _____

Name: Brad Lambert

Title: Senior Vice President,
Financing Products

I have authority to bind the Corporation.

ROYAL TRUST CORPORATION OF CANADA

By: _____

Name: Douglas Gunton

Title: Senior Vice President,
Royal Trust Corporation

I have authority to bind the Corporation.

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**STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE**

Filing No 20015 Col2

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 20016 Code

Filing Date July 3 2001 Date de Dépôt

Page 1 of 16 (10) Pages

STANDARD CHARGE TERMS - ONTARIO
VARIABLE RATE MORTGAGE
Land Registration Reform Act, 1984

DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

This set of STANDARD CHARGE TERMS shall be deemed to be included in every Charge in which the set is referred to by its filing number, as provided in section 9 of the above Act.

I. DEFINITIONS

(a) **Amount of Each Payment** means the Amount of Each Payment set out in this Charge.

(b) **Balance Due Date** means the Balance Due Date set out in this Charge and this shall be the same date as the Last Payment Date.

(c) **Bank** means The Toronto-Dominion Bank.

(d) **Charge** means this Charge/Mortgage of Land made pursuant to the Land Registration Reform Act, 1984 and any amendments thereto, to which the Chargor and the Chargee are parties and which is dated as of the Date of Signature of the first named Chargor who signs this Charge.

(e) **Chargee** means the Bank.

(f) **Chargor** means each Chargor described in this Charge.

(g) **Costs** means the fees, costs, charges and expenses of the Bank of and incidental to:

- (i) the preparation, execution and registration of the Charge and any other instruments connected herewith and every renewal hereof;
- (ii) the collection, enforcement, realization of the security herein contained;
- (iii) procuring payment of the Indebtedness due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Bank or any other party;
- (iv) any inspection required to be made of the Property;
- (v) all necessary repairs required to be made to the Property;
- (vi) the Bank's having to go into possession of the Property and secure, complete and equip the building or buildings in any way in connection therewith;
- (vii) the Bank's renewal of any leasehold interest;
- (viii) the exercise of any of the powers of a receiver contained herein; and
- (ix) all solicitor's costs, costs and expenses of any necessary examination of the title to and of valuation of the Property.

Costs shall:

- (i) extend to and include legal costs incurred by the Bank as between solicitor and his own client;
- (ii) be payable forthwith by the Chargor;
- (iii) bear interest at the Interest Rate; and
- (iv) be a charge on the Property.

(h) **Current Interest Rate** means the Interest Rate in effect from time to time on the first day of each Interest Period.

(i) **Deferred Interest** means the interest that has accrued on the Principal Amount outstanding during an Interest Period in excess of the Monthly Instalment. The Deferred Interest from the immediately preceding Interest Period shall be added to the Principal Amount and bear interest at the Current Interest Rate and become due and payable on each Payment Date and so on. All such Deferred Interest shall become a charge upon the said Property.

(j) **Fair Market Value** means the value of the Property determined from time to time by the Bank or by a qualified real estate appraiser for the Bank, provided that the Chargor may obtain at the Chargor's expenses an appraisal from a qualified real estate appraiser approved in writing by the Bank, stating the fair market value of the Property.

(k) **First Payment Date** means the First Payment date set out in this Charge.

- (l) **Fixtures** include, but are not limited to, furnaces, boilers, oil burners, water heaters, electric light fixtures, screen and storm doors and windows, air conditioning, plumbing, cooling and heating equipment and all apparatus and equipment appurtenant to the Property.
- (m) **Guarantor** means each guarantor described in this Charge.
- (n) **Indebtedness** means the Principal Amount, Deferred Interest, interest, Costs and all other amounts payable by the Chargor under these Standard Charge Terms to the Bank and secured by this Charge.
- (o) **Interest Adjustment Date** means the date on which the term of this Charge begins and which is the Interest Adjustment Date set out in this Charge or any other date which the Chargor and Chargee agree in writing will be the Interest Adjustment Date.
- (p) **Interest Period** means the period from and including the first day of each and every month to and including the first day of each and every subsequent month in each and every calendar year until the Principal Amount is fully paid.
- (q) **Interest Rate** means the Interest Rate set out in the Variable Rate Mortgage Schedule of this Charge which is an annual percentage rate calculated monthly, not in advance as well after as before maturity, default and judgment.
- (r) **Last Payment Date** means the Last Payment Date set out in this Charge and this shall be the same date as the Balance Due Date.
- (s) **Monthly Instalment** means the Amount of Each Payment, which payment includes principal and interest.
- (t) **Payment Date** means the first day of each and every month from and including the first Payment Date to and including the Last Payment Date.
- (u) **Principal Amount** means the Principal Amount in lawful money of Canada set out in this Charge that is outstanding from time to time under this Charge.
- (v) **Property** means the property identified in this Charge by the Property Identifier(s), if any, and described in the Description therein and in a Schedule to this Charge, if required, and includes all buildings, Fixtures and improvements now or hereafter brought or erected thereon.
- (w) **Spouse of Chargor** means each Spouse of Chargor described in this Charge.
- (x) **Tax Account** means an account on the Bank's books of account, relating to this Charge to which all payments made by the Chargor to the Bank pursuant to paragraph 10 may at the option of the Bank be credited (as to which account the Bank shall not be a trustee).
- (y) **Taxes** means all taxes, rates and assessments, municipal, local, parliamentary or otherwise.
- (z) **Variable Mortgage Rate** means the rate per annum calculated monthly not in advance charged from time to time by the bank on variable interest rate loans on prime residential properties. The Bank's Variable Mortgage rate will be set by the bank on the first day of each and every Interest Period and will be available from any branch office of the bank.

If the Property is a condominium unit, the following definitions apply:

- (aa) **Declaration** means the Declaration which, together with a description, was registered pursuant to the Condominium Act (Ontario) as amended from time to time, to create the Condominium Corporation.
- (bb) **Condominium Corporation** means the Condominium Corporation which was created by the registration of the Declaration and the description relating thereto of which the Property hereby charged constitutes a part.
- (cc) **Common Expenses** means the expenses of the performance of the objects and duties of the Condominium Corporation and any expenses specified as common expenses in the Condominium act or in the Declaration.
- 2. **Charge of Property.**

In return for the Bank making a loan to the Chargor in the Principal Amount, the receipt of which is hereby acknowledged by the Chargor, the Chargor:

- (a) if the Property is a freehold property, hereby charges the Property to the Bank; or
- (b) if the Property is a leasehold property, hereby charges and subleases the Property to the Bank for and during the unexpired residue of the term of the lease, except the last day thereof, and all other estate, term right of renewal and other interest of the Chargor in the lease.

to secure the repayment of the Indebtedness and the performance of all of the obligations of the Chargor contained herein. The Chargor hereby releases to the Bank all its claims on the Property until the Chargor has repaid the Indebtedness and performed all of the obligations of the Chargor in the manner provided by this Charge.

3. Repayment of the Loan.

The Chargor hereby agrees:

- (a) to repay the Principal Amount, Deferred Interest, if any, and all interest at the Current Interest Rate to the Bank at its Head Office in Toronto, Ontario or such other place as the Bank may from time to time designate in writing;
- (b) to pay the Bank interest at the Current Interest Rate monthly, on the amounts from time to time advanced, computed from the respective dates of such advances and such payments of interest shall be made on the first day of each and every month commencing with the month next following the month in which the first advance is made and continuing to and including the Interest Adjustment Date, unless postponed by the Bank or advanced by mutual agreement in writing; and
- (c) thereafter, to pay the Bank the Principal Amount and Deferred Interest, if any, together with all interest thereon at the current Interest Rate computed from the Interest Adjustment Date, which shall become due and be paid in Monthly Instalments commencing on the First Payment Date and thereafter on each Payment date to and including the Balance Due Date at which time the balance of the Principal Amount, if any, Deferred Interest, if any, and the interest thereon shall become due and be paid.

If there is a change in the Current Interest Rate from the Interest Rate or Current Interest Rate set out on the first day of the immediately preceding Interest Period, the Bank shall forward to the Chargor, by prepaid ordinary mail addressed to the Chargor at the Chargor's Address for Service contained in this Charge or at such other address as the Chargor may advise the Bank of in writing, a statement setting out the Current Interest Rate, the effective date of the Current Interest Rate, and the equivalent rate calculated half-yearly not in advance.

The Current Interest Rate shall become effective on the first day of any given Interest Period notwithstanding failure of the Bank to mail the statement or non-receipt of the statement by the Chargor.

If the Principal Amount outstanding together with Deferred Interest exceeds the Principal Amount advanced under this Charge, the Chargor shall have the privilege, on any Monthly Payment Date, to increase the amount of any Monthly Instalment, which increase shall be applied in the manner provided in Paragraph 4 below.

4. Application of Monthly Instalments.

Each Monthly Instalment will be applied first, to pay or reduce interest (other than Deferred Interest) calculated as provided above on the Principal Amount from time to time outstanding and the balance of the said Monthly Instalment shall then be applied to reduce the Principal Amount. The example set out below will help to determine:

- (a) the approximate amount of each Monthly Instalment which will be applied to interest, and
- (b) the amount of each Monthly Instalment, if any, which may be applied to reduce the Principal Amount; or
- (c) the amount of Deferred Interest that has accrued on a Payment Date.

The following formula will help to calculate the interest on any Principal Amount for any Interest Period to determine approximately how a Monthly Instalment will be applied hereunder:

$$\text{Principal Amount} \quad \times \quad \frac{\text{Current Interest Rate}}{100} \quad \times \quad \frac{\text{number of days in the Interest Period}}{365}$$

Interest is calculated from and including the first date of an Interest Period to but excluding the last day of that Interest Period.

Here is an example of how to calculate interest hereunder:

- (a) Principal Amount from January 1 to February 1 is \$40,000. Current Interest Rate on January 1 was 13% per annum. Payment Date is February 1.
- (b) In calculating interest from January 1 to February 1, include January 1 but exclude February 1 so the number of days is 31.

$$\begin{array}{r} \$40,000 \times \frac{13}{100} \times \frac{31}{365} = \$441.64 \end{array}$$

- (c) The total interest from January 1 to February 1 is approximately \$441.64.

- (d) Assume Amount of Each Payment is \$460. The payment on February 1 is applied as follows as provided herein:

Interest from January 1 – February 1

\$441.64

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Amount applied to reduce Principal Amount

18.36
\$460.00

- (e) If the Amount of Each Payment was only \$400.00, all \$400 would be applied to reduce the interest owing and the unpaid interest of \$41.64 would be Deferred Interest that would be added to the Principal Amount.

Each year the Chargor will receive from the Bank an Annual Mortgage Statement that will show the actual amounts of each Monthly Instalment that have been applied as aforesaid. Amounts may vary depending on the date a payment is actually received by the Bank.

5. **Renewal, Amendment and Assumption of Charge.**

The Chargor hereby agrees with the Bank that:

- (a) any agreement in writing between the Chargor and the Bank subsequent to the date of registration of this Charge, relating to the payment of the unpaid Indebtedness, or to the Interest Rate, or to both, need not be registered in any land registration office. Such agreement shall be effectual and binding on the Property and upon the Chargor, the Bank and upon any encumbrancer or transferee of the Property, or any part thereof, acquired subsequent to the date of registration of this Charge and shall have priority over any subsequent charge, encumbrance or transfer of the Property to the same extent and effect as if such agreement in writing had been executed, delivered and registered in the appropriate land registration office prior to the making of such subsequent charge, encumbrance or transfer;
- (b) No agreement for renewal hereof or for extension of time for payment of the Indebtedness hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Bank after the expiration of the Balance Due Date or of any subsequent term agreed to in writing between the Chargor and the Bank; and that no renewal hereof or extension of the time for payment of any Indebtedness hereunder shall result from, or be implied from, any other act, matter or thing, save only an express agreement in writing between Chargor and the Bank; and
- (c) If the Property is a leasehold interest no sale or other dealing by the Chargor with the lease or the Property or any part thereof and no extension of time given by the Bank to the Chargor, or anyone claiming under the Chargor or any other dealing by the Bank with the owner of the lease or any part thereof, shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable to repay the Indebtedness hereby secured.

In the event the Chargor sells, conveys, transfers or enters into any agreement of sale or transfer of the title of the said Property (in this paragraph "Conveys") to a purchaser, grantee or transferee (in this paragraph "Purchaser") who intends to assume the Charge and who is not approved by the Bank then the Bank may at its option in writing demand repayment of all Indebtedness hereby secured with accrued interest thereon at the Interest Rate.

If the purchaser who intends to assume this Charge fails to:

- (a) apply for and receive the written consent of the Bank, with or without conditions; and
- (b) personally assume all the obligations of the Chargor, or sign the assumption agreement of the Bank,

then the Bank may at its option and in writing demand repayment of the Principal Amount of this Charge with accrued interest thereon. If the Chargor conveys to a Purchaser who does not intend to assume this Charge, the prepayment provisions set out in this Charge will apply.

No change of ownership of the Property shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable for payment of the Indebtedness hereby secured.

6. **Advances under Charge.**

Neither the preparation, execution nor registration of this Charge shall bind the Bank to advance the Principal Amount intended to be secured hereby. Nor shall the advance of a part of the Principal Amount bind the Bank to advance any unadvanced portion thereof, but nevertheless the interest hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor

7. **Payments the Bank can make.**

The Bank may pay the amount of any rent or satisfy any lien, rate, encumbrance or other charge now or hereafter existing or to arise or to be claimed upon the Property or any part thereof and any sum so paid shall unless paid out of the Principal Amount advanced on the security of this Charge be payable forthwith by the Chargor, and in any case the Bank shall be entitled to all the equities and securities of all persons so paid and is hereby authorized to retain any discharge unregistered until paid

8. **Repayment of Additional Payments.**

The Chargor hereby agrees with the Bank that the Indebtedness payable hereunder, other than the Monthly Instalments hereinbefore provided for and such monthly payments with respect to Taxes and Common Expenses (if the Property is a condominium unit) as may from time to time be required, shall be payable forthwith by the Chargor without demand therefor, shall bear interest at the Interest Rate calculated in the manner hereinbefore provided and

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shall be added to the Principal Amount hereby secured and shall be a charge upon the Property to the same extent and effect as the Principal Amount hereby secured.

9. Costs of Charge.

The Chargor hereby agrees to pay the Costs to the Bank.

10. Taxes.

The Chargor agrees with the Bank to pay promptly as they fall due all Taxes which now are or may hereafter be imposed, charged or levied upon the Property and will forthwith provide the Bank with evidence satisfactory to it of payment thereof, and without in any way limiting or restricting the generality of the foregoing obligations and any other obligation of the Chargor the Chargor hereby agrees with the Bank that:

- (a) The Bank may pay out of and deduct from any advance of the Principal Amount hereunder any such Taxes, the whole or any instalment of which has or will become payable at the Interest Adjustment Date;
- (b) Whenever and so long as the Bank so requires, the Chargor shall on each Payment Date including the First Payment Date and the Last Payment Date pay to the Bank in addition to all other payments hereby required to be paid by the Chargor, such sum as the Bank may from time to time estimate to be required in order to provide funds sufficient to pay in full all such Taxes in each year at the time when such Taxes or the first instalment thereof becomes payable and shall transmit to the Bank all tax bills and other notices relative to the imposition of Taxes on the Property immediately after receipt thereof by the Chargor;
- (c) All payments so made by the Chargor to the Bank pursuant to this paragraph 10 shall at the option of the Bank be either credited to the Tax Account or applied against Indebtedness owing hereunder if the Chargor is in default hereunder;
- (d) If and so long as the Bank requires such additional payments to be made, the Bank shall so long as there is no default hereunder pay all such Taxes as they fall due or at such time as the Bank deems fit and the amount thereby expended shall be debited against the Tax Account to the extent that the amount in the Tax Account is sufficient and the Bank may at its option either debit to the Tax Account or add to the Principal Amount hereby secured the amount, if any, by which the Tax Account is insufficient;
- (e) Any debit balance from time to time in the Tax Account shall bear interest at the Interest Rate and shall together with such interest be secured hereby but nothing contained herein shall render the Bank liable to allow or pay interest on any credit balance from time to time in the Tax Account; and
- (f) The amount, if any, by which the aggregate of all Taxes which have been paid by the Bank exceeds at any time and from time to time the aggregate of all payments which have been made by the Chargor to the Bank pursuant to this paragraph 10, shall be payable by the Chargor forthwith on demand hereof and at any time and from time to time.

11. Covenants of Chargor.

The Chargor covenants with the Bank that:

- (a) The Chargor will pay all Indebtedness and observe all provisos, conditions and agreements contained herein at the times and in the manner herein set forth;
- (b) The Chargor has a good title in fee simple to the Property (unless the Chargor is a lessee of the Property);
- (c) The Chargor has the right to charge the Property to the Bank;
- (d) On default, the Bank shall have quiet enjoyment and quiet possession of the Property, free from all encumbrances;
- (e) The Chargor has not done, omitted or permitted any act to encumber the Property;
- (f) Covenant 1.vii, deemed to be included in this Charge by subsection 7(1) of the Land Registration Reform Act, 1984 is hereby expressly varied by providing that the Chargor will, before or after default, execute such further assurances of the Property and do such other acts, at the Chargor's expense, as may be reasonably required; and
- (g) The Chargor agrees to assign to the Bank forthwith upon the request of the Bank as additional security for payment of the Indebtedness and the performance of the covenants herein contained, any present or future lease which may be granted by the Chargor as to the whole or any portion of the Property and agrees to deliver to the Bank executed copies of all such leases at the written request of the Bank. The Chargor covenants to perform and comply with all lessor's covenants contained in any leases assigned by the Chargor to the Bank. Notwithstanding the assignment or assignments of any lease or leases by the Chargor to the Bank, it is nevertheless declared and agreed that none of the rights or remedies of the Bank under this Charge shall be delayed or in any way hindered or prejudiced by such assignment or assignments or by any act of the Bank pursuant thereto.

12. Additional Covenants if Property is a leasehold interest.

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The Chargor covenants with the Bank that:

- (a) The Chargor has a good leasehold title to the Property;
- (b) The Chargor has a right to charge and sublet the leasehold title to the Property to the Bank in the manner herein provided, and, if required, has obtained the lessor's consent to this Charge;
- (c) Neither the Chargor nor any other person has heretofore made, done, committed or suffered any act to encumber the lease or any part thereof;
- (d) The lease is a good, valid and subsisting lease and not surrendered, forfeited, amended or become void or voidable and the rents and covenants reserved have been duly paid and performed by the Chargor up to the Date of Signature of the Chargor;
- (e) During the continuance of this Charge, the Chargor will not amend, surrender or modify the lease without the written consent of the Bank, and will pay the rent reserved by the lease and perform and observe the covenants, provisos and conditions contained in the lease and on the lessee's part to be performed and observed and hereby agrees to keep the Bank indemnified against all actions, claims and demands whatsoever in respect of the said rent and covenants or anything relating thereto; and
- (f) The Chargor will stand possessed of the Property for the last day of the term or any renewal term granted by the lease in trust for the Bank, and will assign and dispose thereof as the Bank may direct, but subject to the same right of redemption and other rights as are hereby given to the Chargor with respect to the derivative term hereby granted.

13. Additional Covenants if Property is a condominium unit.

The Chargor covenants with the Bank that:

- (a) The Chargor will promptly observe and perform all obligations imposed on the Chargor by the Condominium Act and by the Declaration, the By-laws and the Rules, as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the said Property. Any breach of the said duties and obligations shall constitute a breach of covenant under this Charge;
- (b) Without any way limiting or restricting the generality of the foregoing:
 - (i) The Chargor will pay promptly when due any contributions to Common Expenses required of the Chargor as an owner of the said Property;
 - (ii) The Chargor will transmit to the Bank forthwith upon the demand of the Bank satisfactory proof that all Common Expenses assessed against or in respect of the said Property have been paid as assessed;
 - (iii) The Bank may put out of and deduct from any advance of the Principal Amount secured hereunder all contributions to the Common Expenses assessed against or in respect of the said Property which have become due and payable and are unpaid at the date of such advance; and
 - (iv) Whenever and so long as the Bank so requires the Chargor shall on or before the date when any sum becomes payable by the Chargor in respect of Common Expenses pay such sum to the Bank. The Bank shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Chargor or as the Condominium Corporation may from time to time direct.
- (c) The Bank is hereby irrevocably authorized and empowered to exercise the right of the Chargor as the owner of the said Property, to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that
 - (i) The Bank may at any time or from time to time give notice in writing to the Chargor and the Condominium Corporation that the Bank does not intend to exercise the said right to vote or consent, and in that event until the Bank revokes the said notice the Chargor may exercise the right to vote or consent. Any such notice may be for any indeterminate period of time or for a limited period of time or for a specific meeting or matter;
 - (ii) The Bank shall not by virtue of the assignment to the Bank of the said right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Chargor; and
 - (iii) The exercise of the said right to vote or consent shall not constitute the Bank a mortgagee in possession.

14. Repair and Improvement of the Property.

The Chargor hereby agrees that

- (a) The Chargor will keep the Property in good condition, and repair according to the nature and description of the Property

- (b) The Bank may whenever it deems necessary either in person or by its agent, enter upon and inspect the Property and the reasonable costs of such inspection shall be payable forthwith by the Chargor;
- (c) If any building or buildings now or hereafter in the course of construction on the Property shall remain unfinished and without any work being done on them for a period in excess of ten (10) consecutive days and if at the date of this Charge, the buildings and other improvements on the Property have not been fully completed, the Chargee may without incurring any liability as a mortgagee in possession enter upon the Property and do all work necessary to protect the same from deterioration and complete the buildings on the Property in accordance with plans and specifications which have been approved in writing by the Bank or when not previously approved, in such manner as the Bank may deem fit and will carry on diligently to complete the construction of the said building or buildings and other improvements; and
- (d) The Chargor will promptly observe, perform execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental authority or agency concerning the Property and will at the Chargor's own cost and expense make any and all improvements thereon or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time by any such present or future law, rule, requirement, order, direction, ordinance or regulation.

15. Assignment of Rents.

The Chargor hereby agrees with the Bank as follows:

- (a) The Chargor hereby assigns and sets over to the Bank all rents payable from time to time under all leases of the Property or any part thereof, whether presently existing or arising in the future, together with the benefit of all covenants, agreements and provisos contained in the said leases, in favour of the Bank;
- (b) Forthwith after making any lease of the Property or any part thereof the Chargor will execute and deliver to the Bank an assignment in registrable form in the Bank's usual form of all rents payable under such leases, to the benefit of all covenants, agreements and provisos therein contained on the part of the tenant to be observed and performed and the reversion of such lease, and will also execute and deliver to the Bank all such notices and other documents as may be required in order to render such assignment effectual in law;
- (c) Nothing herein contained shall make the Bank responsible for the collection of rents payable under any lease of the Property or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease;
- (d) The Bank shall not by virtue of these presents be deemed a mortgagee in possession of the Property;
- (e) The Bank shall be liable to account for only such rents as actually come into its hands less reasonable collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness as evidenced by this Charge and any amending, renewal or modification agreement; and
- (f) Notwithstanding anything herein contained no lease of the Property or any part thereof made by the Chargor without the consent in writing of the Bank shall have priority over this Charge.

16. Remedies on Default of Chargor.

It is hereby provided that:

- (a) the Bank on default of payment for 15 days may on 35 days notice enter on and sell the Property or, on default of payment for 15 days may on 35 days notice lease the Property or, if the Chargor is a lessee of the Property, enter on and hold and enjoy the Property for the residue of the term of years hereby demised for its own use and benefit, without the let, suit, hindrance, interruption or denial of the Chargor or any other person;
- (b) Whenever and to the extent that it is permitted from time to time by the laws of the Province of Ontario the foregoing power of sale or lease may be exercised without notice or with less or different notice than that hereinbefore specified or otherwise;
- (c) If the Property is a leasehold interest, the Chargor hereby irrevocably appoints the Bank as the Chargor's substitute to be the Chargor's attorney during the continuance of this security. In the event of default and on giving the notice contemplated herein to the Chargor for and on behalf of the Chargor, the Bank may assign the lease and convey the Property and the last day of the term granted by the lease as the Bank shall at any time direct, and in particular, upon any sale made by the Bank under the statutory power or power of sale herein contained, to assign the lease and convey the Property and the said reversion to the purchaser. It is hereby declared that the Bank or other person for the time being entitled to the Indebtedness may at any time, by deed, remove the Chargor or any other person from being a trustee of the lease under the declaration of trust hereinbefore declared and on the removal of the Chargor or any future trustee of the lease, appoint a new trustee or trustees in the Chargor's place;
- (d) If the Property is a leasehold interest, the Chargor will, with respect to the lease at the request of the Bank, but at the cost, charge and expense of the Chargor, grant and assign unto the Bank, or whom it may appoint, the last day of the said term hereinbefore excepted or any renewal or substituted term; and further, in the event of the Bank making sale under the power of sale herein contained the Chargor shall stand

- ## 17. Additional Remedies.

The Chargor hereby agrees with the Bank as follows:

- (a) The Bank may distrain for arrears of interest;
- (b) The Bank may distrain for arrears of principal in the same manner as for arrears of interest and in the manner and on the terms provided by law;
- (c) In default of the payment of the interest hereby secured, the principal hereby secured shall become payable at the option of the Bank;
- (d) That upon default of payment of any Indebtedness payable hereunder at the time and in the manner in this Charge provided, in the event of non-observance by the Chargor of any covenant, proviso or agreement contained in this Charge or in any charge to which this Charge is subject, or if the Chargor commits or permits any act of waste on the Property or does any other thing by which the value of the Property is or might be diminished (as to which the Bank shall be the sole judge) the whole of the Principal Amount hereby secured and all Indebtedness payable hereunder shall at the option of the Bank forthwith become due and payable;
- (e) In default of immediate payment thereof, the security hereof shall forthwith become enforceable and all of the powers of entering upon the said Property and leasing or selling the same hereby granted to the Bank may be exercised forthwith;
- (f) If the Property is a leasehold interest and if the value of buildings and improvements on the Property should become payable to the Chargor or pursuant to the terms of the lease upon the same being paid the Chargor, the amount so paid shall, if the same is by the terms of the lease not required to be expended on the Property become due on account of the Indebtedness hereby and the balance then owing shall be accelerated so that the Chargor shall pay the aforesaid Monthly Instalments in each and every month commencing with the month immediately following the month in which the additional payment is made and continuing until all Indebtedness owing hereunder has been fully repaid;

- (g) If the Property is a leasehold interest, and if the Chorgor shall refuse or neglect to renew the lease or any renewals thereof granted hereafter, then, and as often as it shall happen, the Bank may, effect such renewals in its own name or otherwise, and every renewal of the lease and the Property thereby demised shall remain and be security to the Bank for the Indebtedness; and
- (h) In the event of non-observance by the Chorgor of any covenant, proviso or agreement herein contained, the Bank shall have the right, but shall not be bound, to perform or observe such covenant, proviso or agreement and all monies expended by the Bank in so doing shall be payable forthwith by the Chorgor. For the purpose of performing or observing such covenant, provisos or agreement the Bank may enter upon the Property whenever and as often as may be requisite and shall not by reason thereof be deemed to be a mortgagee in possession

18. Notice to Chagor.

When any notice is given by the Bank pursuant to or in connection with the Charge such notice may be given in any manner permitted or provided by the laws applicable thereto or, subject to the laws applicable thereto, may at the option of the Bank be given by leaving it with a grown-up person on the Property if occupied, by placing it on some portion of the Property if unoccupied, by mailing it by prepaid registered post addressed to the Chargee at the last known address of the Chargee, or by publishing it once in some newspaper published or circulated in the City, Town or County in which the Property is situate, and such notice shall be sufficient although not addressed to any person.

by name or designation and notwithstanding that any person to be affected thereby may be unborn, unknown, unascertained or under any disability; and subject to the laws from time to time applicable thereto the giving of such notice in the manner aforesaid shall be as effectual as if it had been personally served upon all persons required to be served therewith.

19. Subdivision, Release and Replacement of Property.

The Chargor and the Guarantor, if any, hereby agree with the Bank that:

- (a) Every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of the Indebtedness hereby secured and no person shall have any right to require the Indebtedness to be apportioned upon or in respect of any such part or lot;
- (b) The rights of the Bank hereunder shall not be prejudiced nor shall the liability of the Chargor or any other person liable hereunder be reduced in any way or discharged by the taking of any other security, evidence of indebtedness or covenant for payment of any nature or kind whatsoever either at the time of execution of this Charge or at any time hereafter;
- (c) The Bank may from time to time release or discharge the whole or any part of parts of the Property or any other security or any surety for the Indebtedness payable hereunder for such consideration as the Bank shall think proper or without any or any sufficient consideration without being accountable for the value thereof or for any monies except those actually received by the Bank and may at any time and from time to time without notice to or any consent or concurrence by any person make any settlement, extension or variation in terms of any obligation hereunder and no such release, discharge, settlement, extension or variation in terms nor any carelessness or neglect by the Bank in asserting its rights nor any other thing whatsoever, including, without in any way limiting the generality of the foregoing, the loss by operation of law of any right of the Bank against the Chargor or any other person or the loss or destruction of any security shall in any way release, diminish or prejudice the security of this Charge as against any Property remaining undischarged or release or prejudice any covenants herein contained or release or diminish the liability of the Chargor or any other person liable hereunder so long as any Indebtedness expressed by this Charge to be payable remains unpaid, and no security or surety shall be deemed to be released or discharged save by a formal release or discharge executed by the Bank.

20. Judgments.

The obtaining of a judgment or judgments on any covenant, proviso or agreement herein contained shall not operate as a merger of such covenant, proviso or agreement or affect the Bank's right to interest at the Interest Rate and times aforesaid. Further, any judgment shall provide that interest thereon be computed at the same rate and in the same manner provided herein until the judgment shall have been fully paid and satisfied.

21. Discharge.

The Bank shall have a reasonable time after payment of the Indebtedness in full within which to prepare and execute a discharge or cessation of charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Bank; and all legal and other expenses for the preparation and execution of such discharge or cessation of charge shall be borne by the Chargor.

22. Interpretation and Headings.

The words "hereto", "herein", "hereof", "hereby", "hereunder", and similar expressions refer to the whole of this Charge and not to any particular paragraph or other portion thereof and extend to and include any and every document supplemental or ancillary hereto or in implement hereof. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Whenever two or more persons are under a liability hereunder such liability shall be both joint and several. The headings do not form part of this document and have been inserted for convenience of reference only.

23. Successors and Assigns.

Every reference in this document to a party hereto shall extend to and include the heirs, executors, administrators, successors and assigns of such party. This Charge shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

24. Condominium Act.

If the Property is a condominium unit, this Charge is made pursuant to the Condominium Act.

25. Appointment of Receiver.

If the Chargor shall be in default in the observance or performance of any of the terms, conditions, covenants or payments described herein or in any additional or collateral security given by the Chargor to the Bank then the Bank may in writing, appoint any person, whether an officer or employee of the Bank or not, to be a receiver of the Property and the rents and profits derived therefrom, and may remove the receiver so appointed and appoint another in his stead. The term "receiver" as used in this Charge includes a receiver and manager. The following provisions shall apply to this paragraph:

- (a) The receiver so appointed is conclusively the agent of the Chargor and the Chargor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the receiver. The Bank shall not be responsible in any way for any misconduct or negligence on the part of any receiver and may, from time to time, fix the remuneration of the receiver and be at liberty to direct the payment thereof from proceeds collected;
- (b) Nothing contained herein and nothing done by the Bank or by the receiver shall render the Bank a mortgagee in possession or responsible as such;
- (c) All monies received by the receiver, after providing for payment and charges ranking prior to this Charge and for all applicable Costs shall be applied in or towards satisfaction of the remaining Indebtedness;
- (d) The receiver so appointed shall have power to:
 - (i) take possession of the Property, collect rents and profits and realize upon any additional or collateral security granted by the Chargor to the Bank and for that purpose may take any proceedings, be they legal or otherwise, in the name of the Chargor or otherwise;
 - (ii) carry on or concur in carrying on the business which the Chargor is conducting on and from the Property and for that purpose may borrow money on the security of the Property in priority to this Charge; and
 - (iii) lease all or any portion of the Property and for this purpose execute contracts in the name of the Chargor which said contracts shall be binding upon the Chargor;
- (e) The rights and powers conferred herein are supplemental to and not in substitution for any other rights which the Bank may have from time to time.

26. Guarantee.

The Guarantor in consideration of the Bank making the loan to the Chargor secured by this Charge and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agrees as follows:

- (a) The Guarantor with the Chargor, as principal debtor and not as surety will well and truly pay or cause to be paid to the Bank the Indebtedness payable hereunder on the days and times and in the matter herein limited and appointed for the payment thereof;
- (b) To unconditionally guarantee full performance and discharge by the Chargor of all of the obligations of the Chargor under the provisions of this Charge at the times and in the manner herein provided;
- (c) To indemnify and save harmless the Bank against and from all losses, damages, costs and expenses which the Bank may sustain, incur or be or become liable for by reason of:
 - (i) the failure for any reason whatsoever of the Chargor to pay the Indebtedness expressed to be payable pursuant to this Charge or to do and perform any other act, matter or thing pursuant to the provisions of this Charge; or
 - (ii) any act, action or proceeding of or by the Bank for or in connection with the recovery of the Indebtedness or the obtaining of performance by the Chargor or any other person liable hereunder of any other act, matter or thing pursuant to the provisions of this Charge;
- (d) That the Bank shall not be obliged to proceed against the Chargor or any other person liable hereunder or to enforce or exhaust any security before proceeding to enforce the obligations of the Guarantor herein set out and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any debt or obligation of the Chargor or any other person liable hereunder or the enforcement of any security for any such debt or obligation;
- (e) The Bank may grant any extensions of time for payment, increase the rate of interest payable under the Charge; release the whole or any part of the Chargor's Property or other security from this Charge; or otherwise deal with the Chargor;
- (f) That the Guarantor has read the Charge and is fully aware of its terms and in particular the terms of this paragraph 26; and
- (g) Where there is more than one Guarantor, each Guarantor agrees with the Bank to be jointly and severally responsible under this guarantee with the guarantors and the Chargor

DATED THE 26 DAY OF JUNE, 2001
I HAVE AUTHORITY TO BIND THE CORPORATION.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 20016..... Cols

DJ Coulthard
DAVE COULTHARD
V.P. Real Estate Security Products



STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 20017 Cote
Filing Date July 11th, 2001 Date de Dépôt
Page 1 of 16 Twenty Seven (27) Pages

San Veith

DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES
FORM 009620N(7/01)

CHARGE TERMS

LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS
(RESIDENTIAL CHARGES)

Filed by:
ROYAL BANK OF CANADA

Filing Date: July 11th, 2001
Filing Number: 20017

The following set of standard charge terms shall be deemed to be included in every Charge in which this set of standard charge terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act.

1. DEFINITIONS

(a) General Definitions

The following terms shall have the following meanings irrespective of whether the Charge is an ERS Charge or a Form 2 Charge:

- (i) "Additional Principal Amounts" means any additional principal amounts advanced by the Chargee to the Chargor, at the Chargee's option, from time to time under the Charge;
- (ii) "Adjusted Posted Rate" means the Posted Rate, on the date of the prepayment, for charges with a term similar to the period remaining in the Term and having the same prepayment privileges as the Charge, less the amount, if any, by which the Charge Rate was reduced below the Posted Rate applicable on the date the Charge took effect for charges having the same term and prepayment privileges as the Charge;
- (iii) "Charge" means a Form 2 Charge or an ERS Charge in which this set of standard charge terms is deemed to be included pursuant to the Land Registration Reform Act and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, amendments thereto, and includes this set of standard charge terms;
- (iv) "Charge Rate" has the meaning given to it in paragraphs 4(a) or 4(b) of these standard charge terms, as applicable;
- (v) "Charged Premises" means the lands and premises described in the Charge, including all improvements thereto and all fixtures forming a part thereof;
- (vi) "Condominium Act" means the *Condominium Act*, S.O. 1998, c. 19, as amended or replaced from time to time;
- (vii) "Condominium Corporation" means the condominium corporation created by the registration pursuant to the Condominium Act of a Declaration in which a portion of the lands described in the Declaration are the Charged Premises;
- (viii) "Declaration" means the declaration which, together with a description, was registered pursuant to the Condominium Act thereby creating the Condominium Corporation, as same may be amended from time to time;
- (ix) "Double-Up® Payment Option" means the prepayment privileges described in section 15 of these standard charge terms;

- (x) "ERS Charge" means a charge in an electronic format registered electronically pursuant to the provisions of Part III of the Land Registration Reform Act and the regulations made pursuant thereto;
- (xi) "Form 2 Charge" means a Charge/Mortgage of Land registered using a paper based system of registration pursuant to the provisions of Part I of the Land Registration Reform Act and the regulations made pursuant thereto;
- (xii) "Land Registration Reform Act" means the *Land Registration Reform Act*, R.S.O. 1990, c.L.4, as amended or replaced from time to time;
- (xiii) "Lease" has the meaning given to it in section 22 of these standard charge terms;
- (xiv) "Loan to Value Ratio" means the ratio of the Principal Amount to the lesser of: (i) the purchase price paid by the Chargor to acquire the Charged Premises; or (ii) the value of the Charged Premises on the date the Charge takes effect. The value of the Charged Premises shall be determined by the Chargee in its sole discretion.
- (xv) "*Mortgages Act*" has the meaning given to it in section 24 of these standard charge terms;
- (xvi) "NHA" means the *National Housing Act*, R.S.C. 1985, c.N-11, as amended or replaced from time to time;
- (xvii) "Outstanding Principal Amount" means the aggregate of the portion of the Principal Amount and the portion of any Additional Principal Amounts that are outstanding from time to time under the Charge;
- (xviii) "Posted Rate" means the annual interest rates announced from time to time by the Chargee applicable to fixed rate residential mortgage loans in Canada which rates vary depending upon the term and prepayment privileges applicable to the mortgage loan;
- (xix) "Renting" means the renting, leasing, entering into of a tenancy agreement with, or allowing occupancy by a Tenant of the whole or any part of the Charged Premises;
- (xx) "Prime Rate" means the annual rate of interest announced from time to time by the Chargee as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;
- (xxi) "Reversion" has the meaning given to it in paragraph 22(b) of these standard charge terms.
- (xxii) "taxes" means all municipal taxes, school taxes and local improvement rates chargeable against the Charged Premises;
- (xxiii) "Tenant" has the meaning set out in Section 1 of the *Tenant Protection Act*;
- (xxiv) "Tenant Protection Act" means the *Tenant Protection Act*, S.O. 1997, c. 24, as amended or replaced from time to time; and
- (xxv) "Term" means the period of time from the Interest Adjustment Date to the agreed upon maturity date of the Charge.

(b) Form 2 Charge Definitions

If the Charge is a Form 2 Charge, the following terms shall have the following meanings:

- (i) "Balance Due Date" means the date indicated in Box 9(i);
- (ii) "Box" means a box contained in the Form 2 Charge in which the names of parties to and the terms of the Form 2 Charge may be indicated;
- (iii) "Cash Back Amount" means the dollar amount of money indicated in Box 10 as the Cash Back Amount.

- (iv) "Chargee" means the party referenced in Box 13;
- (v) "Chargor" means each and every party referenced in Box 11;
- (vi) "Covenantor" has the meaning given to it in section 44 of these standard charge terms;
- (vii) "First Payment Date" means the date indicated in Box 9(f);
- (viii) "Fixed Rate Mortgage" means a Charge which is stated to be a Fixed Rate Mortgage in Box 10;
- (ix) "Interest Adjustment Date" means the date indicated in Box 9(d);
- (x) "Last Payment Date" means the date indicated in Box 9(g);
- (xi) "Maximum Charge Rate" means the percentage per annum indicated in Box 10 which percentage is stated to be the Maximum Charge Rate for a RateCapper Mortgage;
- (xii) "Open Mortgage" means a Charge which is stated to be an Open Mortgage in Box 10;
- (xiii) "Payment Amount" means the dollar amount of money indicated in Box 9(h);
- (xiv) "Principal Amount" means the dollar amount of money indicated in Box 4;
- (xv) "Rate" means the interest rate expressed in words and/or numbers in Box 9(b);
- (xvi) "RateCapper Mortgage" means a Charge which is stated to be a RateCapper Mortgage in Box 10; and
- (xvii) "Variable Rate Mortgage" means a Charge which is stated to be a Variable Rate Mortgage in Box 10.

(c) ERS Charge Definitions

If the Charge is an ERS Charge, the following terms shall have the following meanings:

- (i) "Balance Due Date" means the date indicated in the Computer Field entitled "Balance Due Date";
- (ii) "Cash Back Amount" means the dollar amount of money indicated in the Computer Field entitled Additional Provision as the Cash Back Amount;
- (iii) "Chargee" means the party indicated in the Computer Field entitled "Chargee";
- (iv) "Chargor" means each and every party indicated in the Computer Field entitled "Chargor(s)";
- (v) "Computer Field" means a computer data entry field in an ERS Charge into which the names of the parties to and the terms of an ERS Charge may be indicated;
- (vi) "First Payment Date" means the date indicated in the Computer Field entitled "First Payment Date";
- (vii) "Fixed Rate Mortgage" means a Charge which is stated to be a Fixed Rate Mortgage in the Computer Field entitled "Additional Provisions";
- (viii) "Interest Adjustment Date" means the date indicated in the Computer Field entitled "Interest Adjustment Date";
- (ix) "Last Payment Date" means the date indicated in the Computer Field entitled "Last Payment Date";

- (x) "Maximum Charge Rate" means the percentage interest rate per annum indicated in the Computer Field entitled "Additional Provisions" which percentage is stated to be the Maximum Charge Rate;
- (xi) "Open Mortgage" means a Charge which is stated to be an Open Mortgage in the Computer Field entitled "Additional Provisions";
- (xii) "Payment Amount" means the dollar amount of money indicated in the Computer Field entitled "Payment";
- (xiii) "Principal Amount" means the dollar amount of money indicated in the Computer Field entitled "Principal";
- (xiv) "Rate" means the interest rate expressed in words and/or numbers indicated in the Computer Field entitled "Rate";
- (xv) "RateCapper Mortgage" means a Charge which is stated to be a *RateCapper* Mortgage in the Computer Field entitled "Additional Provisions"; and
- (xvi) "Variable Rate Mortgage" means a Charge which is stated to be a *Variable Rate* Mortgage in the Computer Field entitled "Additional Provisions".

2. FREEHOLD CHARGE

If the Chargor named in the Charge has a fee simple interest in the Charged Premises, the following paragraph applies to the Charge:

The Chargor named in the Charge of which this set of standard charge terms forms a part by reference to its filing number in such Charge charges the Charged Premises with the payment to the Chargee of the principal and interest and all other monies secured by the Charge upon the terms set out in the Charge.

3. PRINCIPAL AMOUNT SECURED

The amount of principal money secured by the Charge is the Principal Amount, plus Additional Principal Amounts, if any, advanced by the Chargee. The Chargee and the Chargor acknowledge that at any one time the aggregate amount of the principal amounts advanced under and secured by the Charge (being the amount of the initial advance or advances made by the Chargee, less the principal amounts repaid by the Chargor, plus Additional Principal Amounts, if any) may not exceed the Principal Amount.

4. CHARGE RATE

The rate of interest chargeable upon the Principal Amount, any Additional Principal Amounts and all other amounts payable under the Charge shall be:

- (a) For Fixed Rate Mortgages
 - (i) if the Charge is an ERS Charge, the percentage per annum indicated in the Computer Field entitled "Rate"; or
 - (ii) if the Charge is a Form 2 Charge, the percentage per annum indicated in Box 9 (b), (such rate of interest being hereinafter referred to as the "Charge Rate") in either case, calculated half-yearly not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.
- (b) For Variable Rate Mortgages and *RateCapper* Mortgages
 - (i) if the Charge is an ERS Charge, the Prime Rate per annum, as the same will vary from time to time, as indicated in the Computer Field entitled "Rate", plus or minus the number of percentage points per annum, if any, indicated in the Computer Field entitled "Rate"; or
 - (ii) if the Charge is a Form 2 Charge, the Prime Rate per annum, as the same will vary from time to time, as indicated in Box 9(b), plus or minus the number of percentage

points, per annum, if any, indicated in Box 9(b), (such rate of interest is hereinafter referred to as the "Charge Rate"), in either case, payable monthly and calculated monthly, not in advance, as well after as before maturity of the Charge, and both before and after default and judgment until paid.

If the Charge is a Variable Rate Mortgage or a *RateCapper* Mortgage, the Charge Rate will vary automatically, without notice to the Chargor, each time there is a change in the Prime Rate. The Charge Rate will always be the Prime Rate plus or minus the number of percentage points per annum, if any, indicated either in the Computer Field entitled Rate of an ERS Charge or in Box 9(b) of a Form 2 Charge, as applicable, payable monthly and calculated monthly not in advance. If the Charge is a *RateCapper* Mortgage, the Charge Rate shall not exceed the Maximum Charge Rate payable monthly and calculated monthly, not in advance.

The Charge Rate calculated monthly not in advance is equivalent to the rate of interest calculated half-yearly not in advance shown in the equivalent rate table found in Section 18 of these standard charge terms. The Chargor may determine the equivalent rate by locating the Charge Rate in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)" . The half-yearly equivalent for the Maximum Charge Rate can be determined in the same way.

In the event that it may be necessary at any time for the Chargee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate at such time.

5. DEFEASANCE

(a) The provisions relating to defeasance contained in subsection 6(2) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

The Charge shall be void upon the Chargor paying to the Chargee the Principal Amount with interest thereon at the Charge Rate, calculated half-yearly not in advance as well after as before maturity and both before and after default and judgment until paid and upon the Chargor paying all other amounts secured by the Charge and observing all covenants contained in the Charge as follows:

- (i) interest at the Charge Rate on the portion of the Principal Amount from time to time advanced, computed from the respective dates of such advances up to and including the Interest Adjustment Date, shall become due and be paid on the Interest Adjustment Date, provided that, the Chargee, at its option, may require the aforesaid interest, computed from the date of each such advance to become due and payable in monthly instalments commencing on the same day of the month next following the date of the first advance, and on the same day of each month thereafter, and the balance, if any, of the aforesaid interest on advances will become due and be paid on the Interest Adjustment Date. At the option of the Chargee, interest so due and payable may be deducted from any such advances;
- (ii) the Principal Amount advanced, together with interest thereon at the Charge Rate computed from the Interest Adjustment Date, or if this Charge is indicated to be payable in instalments of interest only until the end of the Term, such interest only, will become due and be paid by equal consecutive monthly instalments each in the amount of the Payment Amount, the first of such instalments to become due and be paid on the First Payment Date and a like amount on the same day of each consecutive succeeding month thereafter up to and including the Last Payment Date;
- (iii) the Outstanding Principal Amount and interest thereon will become due and be paid on the Balance Due Date;
- (iv) any Additional Principal Amounts advanced from time to time with interest thereon at the Charge Rate shall be paid at the time and in the manner agreed to by the Chargor and the Chargee in writing; and

- (v) upon the Chargor paying any taxes, rates, levies, charges or assessments upon the Charged Premises no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions contained in the Charge.

6. APPLICATION OF INSTALMENT PAYMENTS, WITHHOLDINGS FROM PAYMENTS AND TAX ON LOAN

(a) Application of Instalment Payments

The instalments payable under the Charge are to be applied firstly to life or life and disability insurance premiums payable by the Chargor in respect of the Charge, if any, secondly to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of the Charge, including tax accounts, if any, thirdly to interest at the Charge Rate on the Outstanding Principal Amount, and unless the Charge is indicated to be payable with instalments of interest only until the end of the Term, the balance of the instalments shall be applied on account of the Outstanding Principal Amount. If the Chargor has defaulted under the Charge, then the Chargee may apply any payments received during the period of default in whatever order it may elect as between the outstanding Principal Amount, interest, taxes, repairs, insurance premiums or any other amounts payable by the Chargor under the Charge.

(b) Increase of Instalment Payment

If the Charge is a Variable Rate Mortgage or a *RateCapper* Mortgage, then although the Payment Amount is fixed under the terms of the Charge, the respective portions of interest and principal which comprise each instalment may vary as the Prime Rate varies and, therefore, the Charge Rate payable under the Charge, varies. As a result, if the Prime Rate declines, a larger portion of any instalment will be applied against the Outstanding Principal Amount, thus accelerating the reduction of the Outstanding Principal Amount. Conversely, if the Prime Rate increases, a larger portion of any instalment will be applied against accrued interest, thus delaying the reduction of the Outstanding Principal Amount. If the Charge is not in default and a regularly scheduled instalment payment is not sufficient to pay all accrued interest on the Outstanding Principal Amount, the Chargor agrees that the Chargee may, without notice to the Chargor, increase the amount of the instalment payment in increments of two dollars, until the instalment payment amount is sufficient to pay all interest that has accrued from the last instalment date up to and including the date of the payment. The amount so paid shall become the new instalment payment amount until such time as the Chargee and Chargor may agree to a different instalment payment amount or the instalment payment amount is again increased in accordance with the terms hereof.

(c) Withholding from Payments

If the Chargor is required by law to make any deduction or withholding from any sum payable by the Chargor to the Chargee under the Charge, then the sum payable by the Chargor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Chargee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or been required to be made. The Chargor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Chargee within thirty days after the Chargor has made such payment to the applicable authority a receipt issued by such authority evidencing such payment. Alternatively, the Chargee, at its option, may agree to make such deduction and remit same to the relevant taxation or other authority on behalf of the Chargor. If the Chargee remits amounts on behalf of the Chargor, the Chargor shall remain liable for all amounts owing to the relevant taxation or other authority and shall pay to the Chargee, on demand, any additional amounts that may be payable to the taxation or other authority or shall provide evidence that the full amount has been paid to the taxation or other authority.

(d) Tax on Payments

The Chargor shall pay to the Chargee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Chargee's income taxes) (the "Non-resident Taxes") that may be imposed upon or in respect of the Outstanding Principal Amount or interest thereon, that the Chargee may be required to pay, together with interest from the date on which such Non-

resident Taxes are paid by the Chargee at the Charge Rate.

7. COMPOUND INTEREST

It is agreed that if default is made in the payment of any amount to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the amount in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Charge Rate, and in case the interest and compound interest are not paid on the next instalment payment date after the date of default a rest shall be made, and compound interest at the Charge Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Charged Premises and shall be secured by the Charge.

8. ADDITIONAL ADVANCES

Upon repayment to the Chargee of the Principal Amount in whole or in part, the Chargor may from time to time, at the Chargee's option, borrow Additional Principal Amounts, in which event, the Charge will remain as security for all Outstanding Principal Amounts, interest and other amounts from time to time owing by the Chargor to the Chargee whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, it being agreed that the Charge at any one time will secure only the aggregate of the portion of the Principal Amount then outstanding plus any Additional Principal Amounts then outstanding not exceeding the Principal Amount, together with any accrued interest or compound interest at the Charge Rate on such amounts. Upon repayment in full of the Principal Amount and any Additional Principal Amounts, the Chargee shall be entitled to discharge the Charge without notice to the Chargor.

9. PREPAYMENT OPTIONS FOR FIXED RATE MORTGAGE - BLENDED PAYMENTS

If the Charge is a Fixed Rate Mortgage repayable in blended instalments of principal and interest, the Chargor when not in default under the Charge, may:

- (a) at any time during the Term prepay the whole or any part of the Outstanding Principal Amount upon payment of the greater of (i) three (3) months' bonus interest at the Charge Rate, or (ii) interest for the remainder of the Term at a rate of interest equal to the extent, if any, by which the Charge Rate exceeds the Adjusted Posted Rate. In either case, the bonus interest is calculated on the portion of the Outstanding Principal Amount prepaid.

If it is necessary at any time for the Chargee to prove the Chargee's Posted Rate as at any time, or times, it is agreed that the certificate in writing of the Chargee setting forth the Chargee's Posted Rate as at any time, or times, shall be conclusive evidence as to the Posted Rate as at such time.

If the Term is greater than five (5) years, the Chargor may prepay the Outstanding Principal Amount and any other amounts, including interest, due under the Charge, at any time after the end of the fifth year of the Term, upon payment of three (3) months' bonus interest at the Charge Rate;

- (b) once in each twelve (12) month period, commencing on the Interest Adjustment Date or any anniversary thereof, prepay on any instalment payment date without notice or bonus, a portion of the Outstanding Principal Amount not exceeding ten percent (10%) of the Principal Amount. This privilege when not exercised in a particular twelve (12) month period shall not be cumulative. This privilege does not apply if the Chargor is prepaying an amount that is greater than 10% of the Principal Amount;

- (c) once in each twelve (12) month period, commencing on the Interest Adjustment Date or any anniversary thereof, on written notice to the Chargee, elect to increase the regular instalments by any additional amount not exceeding ten percent (10%) of the instalment being paid immediately prior to such increase, such increase to commence on the payment date specified in such written notice. This privilege when not exercised in a particular twelve (12) month period shall not be cumulative.

10. PREPAYMENT OPTION FOR FIXED RATE MORTGAGE - INTEREST ONLY PAYMENTS

If the Charge is a Fixed Rate Mortgage repayable in instalments of interest only, the

Chargor, when not in default under the Charge may:

- (a) at any time during the Term prepay the whole or any part of the Outstanding Principal Amount upon payment of the greater of (i) three (3) months' bonus interest at the Charge Rate, or (ii) interest for the remainder of the Term at a rate of interest equal to the extent, if any, by which the Charge Rate exceeds the Adjusted Posted Rate. In either case, the bonus interest is calculated on the portion of the Outstanding Principal Amount prepaid.

If it is necessary at any time for the Chargee to prove the Chargee's Posted Rate as at any time, or times, it is agreed that the certificate in writing of the Chargee setting forth the Chargee's Posted Rate as at any time, or times, shall be conclusive evidence as to the Posted Rate as at such time.

- If the Term is greater than five (5) years, the Chargor may prepay the Outstanding Principal Amount and any other amounts, including interest, due under the Charge, at any time after the end of the fifth year of the Term upon payment of three (3) months' bonus interest at the Charge Rate;
- (b) once in each twelve (12) month period, commencing on the Interest Adjustment Date or any anniversary thereof, prepay on any instalment payment date without notice or bonus any additional amount of the principal amounts advanced under the Charge not exceeding ten percent (10%) of the Principal Amount. This privilege when not exercised in a particular twelve (12) month period shall not be cumulative. This privilege does not apply if the Chargor is prepaying an amount that is greater than 10% of the Principal Amount.

11. PREPAYMENT OPTION FOR FIXED RATE MORTGAGES - OPEN

If the Charge is an Open Mortgage, the Chargor, when not in default under the Charge, may prepay on any instalment payment date, without notice or bonus, the whole or any part of the Outstanding Principal Amount. Notwithstanding the foregoing, if the Chargor prepays the Charge in full, the Chargor shall repay any amounts owing under Section 14 (Cash Back Incentive).

12. PREPAYMENT OPTION FOR VARIABLE RATE MORTGAGES

If the Charge is a Variable Rate Mortgage, the Chargor, when not in default under the Charge, may on any payment date prepay the whole or any part of the Outstanding Principal Amount, without notice or bonus provided that the amount of any such prepayment shall not be less than Five Hundred Dollars (\$500.00). Notwithstanding the foregoing, if the Chargor prepays the Charge in full, the Chargor shall repay any amounts owing under Section 14 (Cash Back Incentive)

13. PREPAYMENT OPTION FOR RATECAPPER MORTGAGES

If the Charge is a RateCapper Mortgage, the Chargor when not in default under the Charge, may:

- (a) at any time during the Term prepay the whole or any part of the Outstanding Principal Amount upon payment of three (3) months' bonus interest at the Maximum Charge Rate calculated on the portion of the Outstanding Principal Amount prepaid
- (b) once in each twelve (12) month period, commencing on the Interest Adjustment Date or any anniversary thereof, prepay on any instalment payment date, without notice or bonus, a portion of the Outstanding Principal Amount not exceeding ten percent (10%) of the Principal Amount. This privilege when not exercised in a particular twelve (12) month period shall not be cumulative. This privilege does not apply if the Chargor is prepaying an amount that is greater than 10% of the Principal Amount
- (c) once in each twelve (12) month period, commencing on the Interest Adjustment Date or any anniversary thereof, on written notice to the Chargee, elect to increase the regular instalments by any additional amount not exceeding ten percent (10%) of the instalment being paid immediately prior to such increase, such increase to commence on the payment date specified in such written notice. This privilege when not exercised in a particular twelve (12) month period shall not be cumulative

14. CASH BACK INCENTIVE

If prior to the expiry of the Term, the Chargor either prepays the whole of the Outstanding Principal Amount or the Charge Rate and/or the Term is/are amended at the request of the Chargor, in addition to any other bonus interest or penalty payable under the Charge, the Chargor shall pay an amount equivalent to a portion of the Cash Back Amount, if any, paid by the Chargee to the Chargor as an incentive to enter into the Charge. This amount shall be calculated by dividing the Cash Back Amount by the number of months in the Term, multiplied by the number of months remaining in the Term (including the month in which the prepayment is made or the amendment occurs) at the time of the prepayment in full or amendment.

15. DOUBLE-UP PAYMENT OPTION

The Chargor, when not in default under the Charge, may, on any instalment payment date, prepay an amount not exceeding the amount of the regular instalment of principal and interest payable on such date without notice or bonus, but any such payment shall not be less than \$100.00. The Chargor cannot exercise unused *Double-Up* payment privileges on subsequent instalment payment dates. This privilege cannot be exercised by the Chargor if the Charge is a Fixed Rate Mortgage repayable in instalments of interest only.

16. PROVISIONS AFFECTING PREPAYMENT

If the Chargor makes a permitted prepayment, whether as a lump sum or other prepayment or as a payment under the *Double-Up* prepayment option:

- (a) the payment dates of all remaining instalments will be accelerated so that the Chargor will pay the regular instalment provided for in each month commencing with the month immediately following the month in which the prepayment is made, and continuing until all monies secured by the Charge have been fully paid; and
- (b) the Chargee will apply any prepayment firstly to interest, if any, at the Charge Rate on the Outstanding Principal Amount and the balance of the prepayment amount will be applied on account of the Outstanding Principal Amount.

17. SKIP-A-PAYMENT® OPTION

(a) General Provisions

If the Charge is a Fixed Rate Mortgage repayable in blended instalments of principal and interest, or a Variable Rate Mortgage, or a *RateCapper* Mortgage, and has a Term of less than ten (10) years, the Chargor, when not in default under the Charge, may,

- (i) skip a monthly instalment or instalments under the Charge without being in default under the Charge thereby, if and to the extent that the Chargor has exercised the option to increase the monthly instalment under the *Double-Up* Payment Option during the Term. The aggregate value of all skipped instalments must not exceed the aggregate value of all prepayments made under the *Double-Up* Payment Option; and
- (ii) once in each twelve (12) month period commencing with the Interest Adjustment Date or the anniversary thereof, skip any instalment under the Charge provided that the amount of the interest portion of the skipped instalment together with the portion of the Principal Amount then outstanding and any Additional Principal Amounts does not exceed the Principal Amount. The Chargor may repay the amount of any skipped instalment at any time during the Term without bonus.

If the Chargor skips any instalments as permitted in paragraphs 17(a)(i) or 17(a)(ii), the Chargor must nonetheless make any payment to the Chargee that is required with respect to taxes and life or life and disability insurance premiums. The amount of the interest portion of all skipped instalments will be added to the Outstanding Principal Amount, will form a charge on the Charged Premises and will bear interest at the Charge Rate.

(b) Specific Provisions for NHA Mortgages

If the Charge is governed by the provisions of the NHA, the following additional provisions shall apply in respect of the *Skip-A-Payment* option.

- (i) if the Loan to Value Ratio was equal to or less than 90%, the Chargor may not skip a payment if the result would be that the aggregate of the portion of the Principal Amount then outstanding, plus the interest portion of the skipped payment would exceed the Principal Amount;
- (ii) if the Charge is insured under the "95%-Insurance Program" of the Canada Mortgage and Housing Corporation or any related or successor program and the Loan to Value Ratio was greater than 90%, the Chargor may not skip a payment if the result would be that the aggregate of the portion of the Principal Amount then outstanding, plus the interest portion of the skipped payment would exceed 90% of the Loan to Value Ratio;
- (iii) a payment may not be skipped if as a result of the skipped payment the original amortization period of the Charge would be exceeded; and
- (iv) the Chargor may not skip a payment if on the date of the proposed skipped payment the equivalent of four monthly payments have been skipped and have not been repaid.

18. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Variable Rate Mortgage or *RateCapper* Mortgage which calculation is set out in paragraph 4(b) of these standard charge terms. The following table sets out interest rates calculated half yearly, not in advance which are equivalent to interest rates calculated monthly not in advance. The Chargor may determine the equivalent rate by locating the rate of interest payable under the Chargor's Variable Rate Mortgage or *RateCapper* Mortgage in the column headed "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

EQUIVALENT RATES TABLE

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282

4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.500	18.151
8.125	8.264	17.625	18.285
8.250	8.393	17.750	18.419
8.375	8.522	17.875	18.554
8.500	8.652	18.000	18.689
8.625	8.781	18.125	18.823
8.750	8.911	18.250	18.958
8.875	9.041	18.375	19.093
9.000	9.170	18.500	19.228
9.125	9.300	18.625	19.363
9.250	9.430	18.750	19.498
9.375	9.560	18.875	19.633
9.500	9.690	19.000	19.768
9.625	9.820	19.125	19.903
9.750	9.950	19.250	20.039
9.875	10.080	19.375	20.174
10.000	10.211	19.500	20.310
10.125	10.341	19.625	20.445
10.250	10.471	19.750	20.581
10.375	10.602	19.875	20.716

19. TAXES

It is agreed between the Chargor and the Chargee that:

- (a) The Chargee may deduct from the final advance of the principal amounts secured by the Charge an amount sufficient to pay the taxes which have become or will become due and payable at the Interest Adjustment Date and are unpaid at the date of such final advance.
- (b) After the Interest Adjustment Date, the Chargor shall pay to the Chargee in monthly instalments on the dates on which instalments of principal and interest are payable hereunder, sums sufficient to enable the Chargee to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment of taxes.
- (c) Where the period between the Interest Adjustment Date and the next following annual due date or first instalment date for taxes is less than one year the Chargor shall pay to the Chargee in equal monthly instalments, during such period and during the next succeeding 12 month period, an amount estimated by the Chargee to be sufficient to pay, on or before the expiration of the said 12 month period, all taxes which shall become due and payable during the said two periods and during the balance of the year in which the said 12 month period expires; and the Chargor shall also pay to the Chargee on demand the amount, if any, by which the actual taxes exceed the estimated amount.
- (d) Except as provided in Section 19(c), the Chargor shall, in each and every month, pay to the Chargee one-twelfth of the amount (as estimated by the Chargee) of the taxes next becoming due and payable. The Chargor shall also pay to the Chargee, on demand, the amount, if any, by which the actual taxes exceed the estimated amount.

(e) The Chargee shall allow the Chargor interest on the average monthly balances standing in the Charge account from time to time to the credit of the Chargor for payment of taxes at a rate per annum, and at such times, as the Chargee may determine in its sole discretion. The Chargor shall be charged interest at the Charge Rate, on the debit balance, if any, of taxes in the Charge account outstanding after payment of taxes by the Chargee, until the debit balance is fully repaid.

(f) The Chargor shall reimburse the Chargee, on demand, for any fees paid or charges incurred by the Chargee to a municipality or other tax authority from time to time in connection with the administration of the tax account, including any fees or charges for the obtaining of information or searches or certificates in respect thereof, or the payment of taxes in any manner and the Chargor authorizes the Chargee to deduct the amount of such fees or charges from the tax account.

The Chargee agrees to apply such deduction and payments on the taxes chargeable against the Charged Premises so long as the Chargor is not in default under any covenant, proviso or agreement contained in the Charge, but nothing contained in the Charge shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if, before any sum or sums so paid to the Chargee shall have been so applied, there shall be default by the Chargor in respect of any payment of principal or interest as provided in the Charge, the Chargee may apply such sum or sums in or towards payments of the portion of the Principal Amount and/or interest in default. The Chargor further covenants and agrees to transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

Notwithstanding the provisions set out in this section 19, the Chargee may elect not to require payment of taxes to it in which case the Chargor will pay all taxes as they fall due and will provide the Chargee with receipts confirming payment of same as the Chargee may require.

20. DEEMED COVENANTS EXCLUDED

The covenants deemed to be included in a charge by subsection 7(1) of the Land Registration Reform Act shall be and are hereby expressly excluded from the terms of the Charge.

21. COVENANTS IN LIEU OF STATUTORY COVENANTS

The Chargor does hereby, covenant, promise and agree to and with the Chargee, as follows:

(a) To Pay and Observe Covenants

That the Chargor, shall pay or cause to be paid to the Chargee, without deduction or abatement, the Principal Amount, Additional Principal Amounts and any other amounts secured by the Charge with interest at the Charge Rate at the times and in the manner limited for payment thereof, and shall do, observe, perform, fulfil and keep all the provisions, covenants, agreements and stipulations particularly set forth in the Charge, and, without limitation, shall pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Charged Premises or in respect thereof, no matter by whom or by what authority imposed, which the Chargee has paid or has been rendered liable to pay.

(b) For Good Title

If the Charge is a charge of a fee simple estate, that the Chargor, at the time of execution and delivery of the Charge, in the case of a Form 2 Charge, or at the time of delivery for registration, in the case of an ERS Charge, is and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible title in fee simple to the Charged Premises free of any trusts, reservations, limitations, provisos or conditions (except those contained in the original grant thereof from the Crown) or any other matter or thing to alter, charge, change, encumber or defeat the same.

(c) Right to Charge

That the Chargor has good right, full power and lawful and absolute authority to charge the Charged Premises with their appurtenances unto the Chargee, in the manner set out in the Charge.

(d) Quiet Possession on Default

That from and after default in the payment of the portion of the Principal Amount then outstanding or the interest thereon, or any part thereof or of any other amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations contained in the Charge, contrary to the true intent and meaning thereof, then in every such case, it shall be lawful for the Chargee, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Charged Premises or lands and premises intended to be charged by the Charge, with their appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Charged Premises or any part thereof and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizance and of any other charges or encumbrances whatsoever.

(e) Further Assurances

That from and after default in the payment of any amounts payable under the Charge or in the doing, observing, performing, fulfilling or keeping of one or more of the provisions, agreements or stipulations in the Charge contrary to the true intent and meaning thereof, then and in every such case the Chargor and all and every person or persons whatsoever having, or lawfully claiming, or who shall or may have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the Charged Premises by, from, under or in trust for the Chargor, shall and will, from time to time, and at all times thereafter, make, do, suffer, execute, deliver, authorize and register or cause or procure to be made, done, suffered, executed, delivered, authorized and registered all and every such further and other reasonable act or acts, deed or deeds, devices, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying, charging and assuring the Charged Premises unto the Chargee, as by the Chargee or its solicitor shall or may be lawfully and reasonably devised, advised, or required.

(f) Done No Act to Encumber

That the Chargor has not at any time heretofore made, done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby the Charged Premises or the lands and premises intended to be charged by the Charge, or any part thereof, are, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate, or otherwise howsoever.

(g) Insurance

- (i) That the Chargor will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Charged Premises and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Chargee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Chargee and the Chargor will forthwith assign, transfer and deliver over unto the Chargee the policy of insurance and receipts thereto appertaining; and if the Chargor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obliged to insure the said buildings or any of them, and if the Chargee shall pay any premiums or sums of money for insurance for the Charged Premises or any part thereof the amount of such payment shall be added to the debt secured by the Charge and shall bear interest at the Charge Rate

from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Chargor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies and the production of a copy of the Charge, if the Charge is a Form 2 Charge, or a printed copy of the Charge if the Charge is an ERS Charge, shall be sufficient authority for the said insurance company to pay any such loss to the Chargee, and the said insurance company is hereby directed thereupon to pay the same to the Chargee; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the Charged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Chargee, in whole or in part on the Charge on account of the amounts secured by this Charge or any part thereof whether due or not then due:

- (ii) If the Charged Premises are part of a condominium the insurance provisions set out in paragraph 21(g)(i) above will not apply and the following will apply to the Charge:

And that the Chargor or the Condominium Corporation or both of them will forthwith insure and during the continuance of the Charge keep insured in favour of the Chargee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Chargee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the lands described in the Declaration and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Chargee might require depending on the nature of the Charged Premises or the use thereof, with a company or companies approved by the Chargee; and the Chargor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Chargee the policy or policies of insurance and receipts thereof appertaining and if the Chargor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured aforesaid, or to deliver such policy or policies, and receipts or produce to the Chargee at least fifteen days before the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Chargor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Chargor to observe and perform all the duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the Declaration; and the Chargor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

(h) Expropriation

The Chargor and Chargee agree that if the whole or part of the Charged Premises are expropriated by a public authority pursuant to the *Expropriations Act*, then any monies paid to the Chargor in compensation for the expropriation of the whole or part of the Charged Premises shall be paid by the Chargor to the Chargee as a lump sum payment under the Charge. The Chargee through its agents or employees may order a survey and/or property valuation of the Charged Premises in order to ascertain the value of the expropriated lands and the remaining lands. Any and all reasonable costs, charges and expenses for such survey and or property valuation shall be added to the principal amount secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand

22. LEASEHOLD PROVISIONS

if the interest of the Chargor in the Charged Premises derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to

lease or license of the Charged Premises (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

- (a) all references herein to "Charged Premises" shall include all right, title and interest of the Chargor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Charge;
- (b) the Chargor grants, mortgages, demises, sub-leases and charges to the Chargee all estate, term, right, title and interest of the Chargor in and to the Lease and the Charged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Chargor in or to the lands and premises demised by the Lease during the term of the Charge, together with the Lease and all right, title and interest of the Chargor in the Lease and all benefit and advantage therefrom for the Chargee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the "Reversion"), as security for the payment to the Chargee of the Principal Amount, plus the Additional Principal Amounts, if any, and interest on such amounts and all other amounts secured by the Charge and for the performance of all liabilities and obligations secured by the Charge upon the terms set out in the Charge;
- (c) the Chargor represents and warrants to the Chargee as follows:
 - (i) the Chargor has good leasehold title to the Charged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Chargee;
 - (ii) the Lease is, at the time of execution and delivery of the Charge in the case of a Form 2 Charge, and at the time of delivery for registration in the case of a ERS Charge, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Chargor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;
 - (iii) there have been no modifications to the Lease that have not been provided to the Chargee;
 - (iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Chargor up to the date of the Charge;
 - (v) the Chargor has a good right, full power and lawful and absolute authority to demise and sublet the Lease to the Chargee in the manner aforesaid;
- (d) the Chargor covenants and agrees with the Chargee as follows:
 - (i) the Chargor shall stand possessed of the Reversion in trust for the Chargee to assign and dispose of the Reversion in such manner as the Chargee shall by notice in writing direct (subject to the right of redemption in the Charge) and the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to assign the term of the Lease as the Chargee shall at any time direct;
 - (ii) the Chargor, at the request of the Chargee but at the cost, charge and expense of the Chargor, will grant and assign to the Chargee, or to whomever the Chargee may appoint, the Reversion or any renewal or substituted term of the Lease;
 - (iii) the Chargor shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts or default which may cause the Lease to be forfeited or determined and the Chargor shall indemnify the Chargee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;
 - (iv) the Chargor shall not, during the continuance of the Charge, transfer, assign, sub-

lease, surrender or terminate the Lease or any of its rights or interest in the Lease;

- (v) the Chargor shall not, during the continuance of the Charge, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Chargee;
- (vi) the Chargor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Chargee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Charge remain outstanding;
- (vii) any breach or default under the Lease shall be deemed to be a default under the Charge entitling the Chargee to demand repayment of all amounts then secured by the Charge;
- (viii) if the Chargor becomes the owner of the freehold of the lands and premises demised by the Lease the Charge shall increase to be a charge of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Chargor had been the owner of the freehold, free from encumbrances, at the date the Charge took effect. To give effect to the foregoing the Chargor does hereby grant and mortgage the freehold interest in the Charged Premises unto the Chargee, such grant to take effect upon the Chargor acquiring freehold title to the said Charged Premises. The Chargor covenants and agrees to execute and deliver, in the case of a Form 2 Charge or, in the case of an ERS Charge, authorize the delivery for registration, at the Chargor's expense, forthwith on demand therefor, such further and other documents as the Chargee may reasonably require for the purpose of validly giving effect to the foregoing;
- (ix) the Chargor shall immediately notify the Chargee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice or request received from the lessor;
- (e) any reference in the Charge to any charges payable in respect of the Charged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Chargor under the Lease and if any amounts are paid by the Chargee in respect of amounts owing under the Lease such amounts shall be a charge against the Charged Premises, shall bear interest at the Charge Rate and shall be secured by the Charge;
- (f) in the event of any default in any payment of rent or other monies due under the Lease or in the performance or observance of any covenant, agreement, condition or proviso contained in the Lease, the Chargee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Chargee in so doing shall be payable forthwith by the Chargor to the Chargee, shall bear interest at the Charge Rate and shall be a charge on the Charged Premises secured by the Charge;
- (g) the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor to enforce any covenants of the tenant under the Lease and to exercise any options to renew the Lease in the Chargee's discretion.

23. RELEASE

The Chargor by these presents does release, remise, and forever quits claim unto the Chargee, all right, title, interest, claim and demand whatsoever of, unto and out of the Charged Premises and every part thereof, so that the Chargor shall not or may not at any time hereafter have, claim, pretend to, challenge or demand the Charged Premises or any part thereof, in any manner howsoever, subject always to the proviso for defeasance.

24. ENTRY AFTER DEFAULT AND POWER OF SALE

Provided that the Chargee on default by the Chargor of payment of the portion of the Principal Amount then outstanding and interest or any part thereof as required by the Charge or in

and it is hereby further declared and agreed by and between the parties to the Charge that, notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the Charged Premises as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos and trusts incident thereto had not been contained in the Charge.

25. DISTRESS

It is further agreed by and between the parties to the Charge that the Chargee may distrain for arrears of interest against the Charged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

26. PRINCIPAL DUE ON DEFAULT

It is hereby further expressly declared and agreed, that if any default shall occur in the payment of the interest money secured by the Charge, or any part thereof, or in payment of any instalment of principal as the same matures or of any instrument, promissory note, bill of exchange or other obligations now or at any time held by the Chargee in respect of or representing or securing the money secured by the Charge or any part thereof, or in the performance of any covenant, proviso or agreement contained in the Charge or if any waste be committed or suffered on the Charged Premises then at the option of the Chargee, the Outstanding Principal Amount secured by the Charge or intended so to be shall forthwith become due and payable in like manner and with the like consequences and effects as if the time mentioned for payment of such principal amount had fully come and expired, subject to any relief afforded to the Chargor at law. The Chargee may, however, waive its right to call in the principal and shall not be therefore debarred from asserting and exercising its right to call in the principal upon the happening of any future default or breach.

27. CHARGOR'S QUIET POSSESSION UNTIL DEFAULT

It is agreed that until default in the payment of principal or interest secured by the Charge or intended so to be, or any part of either of the same or in the performance of any of the provisions set forth in the Charge contrary to the true intent and meaning thereof, it shall be lawful for the Chargor peaceably and quietly to have, hold, use, occupy, possess and enjoy the Charged Premises, and receive and take the rents and profits thereof to the Chargor's own use and benefit, without let, suit, hindrance, interruption, or denial by the Chargee, or of or by any other person or persons whomsoever lawfully claiming, or who shall, or may lawfully claim by, from, under or in trust for the Chargee.

28. BUILDINGS, ADVANCES AND COST OF SEARCH

It is the intention of the parties that the building or buildings erected or to be erected on the Charged Premises form part of the security for the full amount secured by the Charge; and that all advances are to be made in such manner at such times and in such amounts up to the Principal Amount as the Chargee in its sole discretion may determine and subject always to the provision to which the Chargor hereby agrees that notwithstanding the execution or registration of the Charge, in the case of a Form 2 Charge or delivery for registration in the case of an ERS Charge, or the advancement of any part of the Principal Amount, the Chargee is not bound to advance the full Principal Amount or any unadvanced portion thereof and the advance of the full Principal Amount or any part thereof from time to time shall be in the sole discretion of the Chargee. Nevertheless the Charge shall, in the case of a Form 2 Charge, take effect forthwith upon the execution of the Charge by the Chargor or, in the case of an ERS Charge, upon the delivery for registration of the Charge. In addition the expenses of the examination of the title and of the preparation of the Charge and for the valuation of the Charged Premises are to be secured by the Charge. If the whole or any balance of the Principal Amount is not advanced, such costs and expenses shall be secured by the Charge and shall be without demand and therefor be payable forthwith with interest at the Charge Rate and if not paid, the Chargee's power of sale given by the Charge, and all other remedies under the Charge or at law shall be exercisable

If this Charge is made pursuant to the NHA, the Chargor covenants and agrees with the Chargee to construct a building or buildings and other improvements on the Charged Premises in

accordance with the plans and specifications that have been or are hereafter approved by Canada Mortgage and Housing Corporation and by the Chargee and to carry on diligently to complete the construction of the said building, buildings and other improvements.

29. FIXTURES

It is mutually covenanted and agreed by and between the Chargor and the Chargee that all erections and improvements fixed or otherwise now on or after the date of the Charge put upon the Charged Premises, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerals, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Charged Premises and shall be a portion of the security for the amounts secured by the Charge.

30. PARTIAL RELEASE

Provided that the Chargee may at all times release any part or parts of the Charged Premises or any other security or any surety for payment of all or any part of the amounts secured by the Charge or may release the Chargor or any other person from any covenant or other liability to pay the said amounts or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any amounts except those actually received by the Chargee and without thereby releasing any other part of the Charged Premises, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release the Charged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the amounts secured by the Charge.

31. DEFAULT IN PRIOR CHARGES

It is agreed by and between the Chargor and the Chargee that should default be made by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any mortgage, charge, lien or encumbrance to which the Charge is subject or subordinate, then and in that event the amounts secured by the Charge shall forthwith become due and be payable, at the option of the Chargee, and all the powers in and by the Charge conferred shall become exercisable, and the powers of sale contained in the Charge may be exercised as herein provided.

32. LIENS AND CONSTRUCTION

Provided also that upon the registration of any lien against the Charged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the portion of the Principal Amount then outstanding and interest and all other amounts secured by the Charge shall, at the option of the Chargee, forthwith become due and payable. In the event that a construction lien is registered against title to the Charged Premises the Chargee shall have the right, but not the obligation, to pay such amounts as may be required to remove such lien from title to the Charged Premises. Any amounts so paid by the Chargee, together with all costs, charges, and expenses incurred by the Chargee in connection therewith, including all solicitor's charges or commission, as between a solicitor and its client, shall be added to the principal amount secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

33. WASTE, VACANCY, REPAIR AND BUILDING COMPLETION

The Chargor covenants and agrees with the Chargee that the Chargor will not permit waste to be committed or suffered on the Charged Premises and that the Chargor will maintain the buildings or other improvements on the Charged Premises in good order and repair to the satisfaction of the Chargee and will not permit or suffer them to become or remain vacant and the Chargee may, but shall not be obliged to, make such repairs, improvements and alterations as it may deem necessary or complete the construction or reconstruction of any building on the Charged Premises, and the cost of repair, construction or reconstruction shall be added to the amount

secured by the Charge and shall bear interest at the Charge Rate and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

34. INSPECTION

The Chargee through itself or its agent or employees, and Canada Mortgage and Housing Corporation and its agents and its agents if the Charge is governed by the NHA may, at any time, enter upon the Charged Premises to inspect the Charged Premises and where deemed necessary or advisable by the Chargee and, notwithstanding section 27, to conduct investigations including intrusive testing and sampling on the Charged Premises for the purpose of determining the presence of or the potential for environmental pollution, the reasonable cost of such inspection shall be added to the principal amount secured by the Charge and shall bear interest at the Charge Rate, and shall, with such interest, be a charge on the Charged Premises prior to all claims thereon subsequent to the Charge and shall be payable forthwith on demand.

35. ALTERATIONS

The Chargor covenants and agrees with the Chargee that the Chargor will not make or permit to be made any alterations or additions to the Charged Premises without the prior written consent of the Chargee.

36. NON-MERGER

Provided and it is agreed, that the taking of a judgment or judgments on any of the covenants contained in the Charge shall not operate as a merger of the said covenant nor affect the Chargee's right to interest at the rate and times provided in the Charge; and further that said judgment shall provide that interest thereon shall be computed at the Charge Rate and in the same manner as provided in the Charge until the said judgment shall have been fully paid and satisfied.

37. RIGHTS ON DEFAULT

The Chargor covenants and agrees with the Chargee that in the event of default in the payment of any instalment of principal, interest or taxes secured by the Charge or any other amounts payable under the Charge by the Chargor or on breach of any covenant, proviso or agreement in the Charge after all or any part of the amounts secured by the Charge have been advanced, the Chargee may at such time or times as it may deem necessary and without the concurrence of any other person enter upon the Charged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Charged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Charged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Chargee or other person appointed for the above purposes shall be forthwith payable to the Chargee, and shall be a charge upon the Charged Premises and shall bear interest at the Charge Rate until paid.

38. OBLIGATIONS SURVIVE SALE

Provided that no sale or other dealing by the Chargor with the Charged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the amounts secured by the Charge.

39. DUE ON SALE/ASSUMPTION

Provided that in the event of

(a) the Chargor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Charged Premises to a purchaser, grantee or transferee not approved in writing by the Chargee; or

(b) if such a purchaser, grantee or transferee should fail to (a) apply for and receive the Chargee's written approval as aforesaid, (b) personally assume all the obligations of the Chargor under the Charge, and (c) execute an assumption agreement in the form required by the Chargee,

then, at the option of the Chargee, all amounts secured by the Charge with accrued interest thereon shall forthwith become due and payable.

40. PORTABILITY OPTION

If the Charge is a Fixed Rate Mortgage or a *RateCapper* Mortgage, the following provisions apply:

If the Chargor is not in default under the Charge, and has entered into an agreement to sell or transfer the title to the Charged Premises, the Chargor may either exercise the portability option described in this section 40, or alternatively, the purchaser or transferee of the Charged Premises may exercise the assumption option described in section 39 above, but both options may not be exercised contemporaneously.

(a) If, within 90 days following completion of the sale or transfer of the title to the Charged Premises, the Chargor completes the purchase of a residential property ("New Property"), the Chargee will, on written application by the Chargor, but subject to paragraph (vi) below, provide financing for the purchase of the New Property on the security of a charge to be registered against title to the New Property ("New Charge"), in the following manner:

(i) if the amount to be advanced under the New Charge ("New Charge Amount") is the same as the portion of the Principal Amount then outstanding under the Charge, the interest rate applicable to the New Charge Amount for the period of time remaining in the term of the Charge will be the Charge Rate;

(ii) if the New Charge Amount is less than the portion of the Principal Amount then outstanding under the Charge, the Charge Rate will apply to the New Charge Amount for the period of time remaining in the term of the Charge, and the Chargor must pay to the Chargee upon the date of the completion of the sale or transfer of the Charged Premises, the amount by which the portion of the Principal Amount then outstanding under the Charge exceeds the New Charge Amount and any such prepayment will be subject to the prepayment provisions applicable under the Charge;

(iii) if the New Charge Amount exceeds the portion of the Principal Amount then outstanding under the Charge, the New Charge will secure the aggregate of the portion of the Principal Amount then outstanding under the Charge and the additional principal amount advanced under the New Charge at a rate of interest that blends the Charge Rate and the rate the Chargee offers at that time for mortgages with terms similar to the time remaining in the term of the Charge. The term of the New Charge will be for a period equivalent to the time remaining in the term of the Charge. If the Charge is a *RateCapper* Mortgage, the additional principal amount must be secured by a new second-ranking mortgage registered on title to the New Property for a term equivalent to the time remaining in the term of the Charge;

(iv) on the date of completion of the sale or transfer of the Charged Premises, any prepayment of the Charge from the proceeds of sale will be subject to the prepayment provisions applicable under the Charge. However, provided the New Charge is advanced within a 90 day period following prepayment of the Charge, the Chargee will, subject to paragraph (ii) above, refund to the Chargor the amount, if any, of bonus interest paid in respect of such prepayment;

(v) the term of the New Charge will commence on the date that it is advanced and will terminate on the same date as the Charge would have otherwise terminated; and

(vi) the Chargee's mortgage approval criteria, policies, procedures and documentation in effect at the time the Chargor makes his/hers/its application for the New Charge will apply to the application and the New Charge and the Chargor will be responsible for paying all applicable processing or administration fees, all legal and property valuation fees and all other expenses incurred by the Chargee in connection with the New Charge.

41. PRIOR ENCUMBRANCES

It is further stipulated, provided and agreed, that the Chargee may pay the amount of any encumbrance, lien or charge now or after the date of the Charge existing, or to arise or to be claimed upon the Charged Premises having priority over the Charge, including any taxes, utility charges or other rates on the Charged Premises or any of them, any construction lien or any amounts payable to the Condominium Corporation, and may pay all costs, charges and expenses and all solicitors' charges or commissions, as between a solicitor and its client, which may be incurred in taking, recovering or commissions, as between a solicitor and its client, which may be incurred in taking, recovering and keeping possession of the Charged Premises and generally in any proceedings or steps of any nature whatever properly taken in connection with the Charge or to realize the security of the Charge, or to defend the validity or priority of the Charge as against a third party, or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Chargor under the Charge whether any action or any judicial proceedings to enforce such payments has been taken or not, and the amount so paid and insurance premiums for fire or other risks or hazards and any other amounts paid by the Chargee shall be added to the amount secured by the Charge and be a charge on the Charged Premises and shall bear interest at the Charge Rate, and shall be payable forthwith by the Chargor to the Chargee, and the non-payment of such amount shall be a default of payment within the meaning of those words in Section 22 and shall entitle the Chargee to exercise the power of sale and all other remedies given under the Charge. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the amounts advanced on the security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation, or government so paid off, and is authorized to retain any discharge thereof, without registration, for a longer period than six months if it thinks proper to do so.

42. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Homes Warranties Plan Act*, R.S.O. 1990, c.0.31, as amended (the "ONHWPA"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the ONHWPA or enrolling the Charged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the amounts secured by the Charge and be a charge on the Charged Premises in priority to all other encumbrances registered or arising subsequent to the Charge and shall bear interest at the Charge Rate and shall be payable forthwith by the Chargor to the Chargee.

43. PROHIBITION AGAINST RENTAL

If the Charged Premises are or are intended to be used as residential premises then the following provisions shall apply:

(a) The Chargor represents, warrants, covenants and agrees that no part of the Charged Premises are rented or occupied by a Tenant and further covenants and agrees not to permit the Renting of the Charged Premises without first obtaining the consent in writing of the Chargee which consent may be refused at the sole discretion of the Chargee; further the Chargor covenants and agrees not to enter into any negotiations with respect to Renting without the consent in writing of the Chargee, which consent may be refused, restricted or made conditional at the sole discretion of the Chargee; if a restricted or conditional consent to Renting or negotiations relating to Renting is given, the Chargor covenants and agrees to abide by such restrictions or conditions;

(b) The Renting of the whole or any part of the Charged Premises without the written consent of the Chargee shall be deemed to have been done with the object of discouraging the Chargee from taking possession of the Charged Premises on default or adversely affecting the value of the Chargee's interest in the Charged Premises within the meaning of Section 52(1) of the Mortgages Act;

(c) in the event that any of the covenants contained in this section shall be breached then, at the option of the Chargee, all monies secured by the Charge with accrued interest thereon shall forthwith become due and payable;

(d) if the whole or any part of the Charged Premises are rented to a Tenant with or without the consent of the Chargee, at such time as the Chargee is entitled to enforce its rights under the Charge by reason of default of the Chargor, the Chargee may, at its discretion, pay to any Tenant a

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sum of money, in such amount as it considers advisable, as consideration for obtaining the cooperation of such Tenant in selling the Charged Premises, showing the Charged Premises and obtaining possession from the Tenant or for any one or more of the above. It is recognized that the payment of such amount will be a cost of realization on the Charge and the amount so paid shall be added to the amount secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the Charge Rate and shall have priority over all encumbrances subsequent to the Charge and shall be payable forthwith by the Chargor to the Chargee; the Chargor appoints the Chargee to be its true and lawful attorney and agent to enforce all the terms of any tenancy agreement entered into by the Chargor with respect to all or any part of the Charged Premises and to cancel or terminate any such tenancy agreement and in this connection to make, sign and execute any and all documents in the name of the Chargor which it, as Chargee, may consider desirable;

44. COVENANTOR OR GUARANTOR

If a party is named as a covenantor or guarantor in a Form 2 Charge or a schedule thereto (the "Covenantor"), the Chargor and the Covenantor acknowledge that it is a condition of the making of advances under the Charge that the covenant contained in this section 44 be entered into by the Covenantor. The Covenantor further acknowledges that the consideration for the guarantee contained in this section 44 is the making of advances under the Charge.

The Covenantor on behalf of himself, his executors, administrators, successors and assigns, in consideration of the advance in whole or in part of the Principal Amount does hereby covenant, promise and agree as principal debtor and not as surety to and with the Chargee that the Covenantor will well and truly pay, or cause to be paid unto the Chargee the Principal Amount and all other amounts secured by the Charge, together with interest upon the same, at the days and times, and in the manner agreed to in the Charge or any amendments, renewals, variations or extensions thereof and shall and will in everything, well and truly do, observe, fulfil and keep any and all covenants, provisos, conditions, agreements and stipulations in the Charge according to the true intent and meaning thereof, and shall and will abide by and submit to and do hereby agree to all conditions, provisos and stipulations in the Charge on the part of the Chargor and these covenants shall be binding notwithstanding the giving of time for payment of the Charge or the varying of terms of payment thereof or the rate of interest thereon or the renewal of the Charge or the sale, conveyance or transfer or similar disposition of the Charged Premises, whether with the consent of the Chargee, or otherwise, and if there are more than one Covenantor this covenant shall bind them jointly as well as severally and shall continue to subsist notwithstanding the death of one or more of such Covenantor.

Each Covenantor further covenants and agrees that without giving notice to or obtaining the consent or concurrence of any guarantor, the Chargee may:

- (a) grant any time, indulgences, waivers or extensions of time for payment or performance of any of the obligations under the Charge;
- (b) grant any renewals or extensions of the Charge, with or without a change in the rate of interest or in any other terms or conditions of the Charge and whether by express agreement signed by the Chargor or otherwise (including without limitation by way of an automatic renewal or extension);
- (c) change the rate or rates of interest provided in the Charge, either during the initial term thereof or in any subsequent extension or renewal term, whether by way of increase, decrease, change in the reference rate by which such rate is calculated or determined, change from a fixed rate to a variable or floating rate or from a variable or floating rate to a fixed rate, or otherwise;
- (d) shorten or lengthen the amortization period of the Charge;
- (e) otherwise amend, supplement, modify, vary, or otherwise change any of the terms or conditions of the Charge in any manner whatever;
- (f) release or discharge from the mortgage or charge constituted by the Charge the whole or any part of the Charged Premises;
- (g) advance Additional Principal Amounts to the Chargor pursuant to any provision of the Charge that permits the Chargor to borrow such Additional Principal Amounts from the Chargee;

(h) permit the Chargor to prepay the Principal Amount in whole or in part or to skip one or more scheduled instalments of principal and interest or to pay more than one such scheduled instalment on a scheduled payment date under the Charge, whether pursuant to a provision of the Charge that permits such prepayment, skipping or multiple payments or otherwise;

(i) accept compositions, compromises or proposals from the Chargor or otherwise deal with the Chargor or any other person, any security (including without limitation the Charge) or the Charged Premises or any security as the Chargee sees fit including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Charge;

(j) release or discharge any Covenantor or one or more other co-covenantors or guarantors or Chargors in respect of the Charge; or

(k) release any subsequent legal or beneficial owner of the Charged Premises from any liability for the obligations under the Charge or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Covenantor hereunder, regardless of whether any such action has the effect of amending or varying this Charge or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the obligations thereunder. The liability of each Covenantor hereunder shall extend to and include the obligations of the Chargor under the Charge, as so amended, renewed, extended or varied and the Charge as so increased, expanded or altered without further action on the part of the Chargee or the consent or concurrence of any Covenantor; and for greater certainty and without limiting the foregoing, if any rate of interest provided in the Charge is increased or otherwise altered, and the liability of each Covenantor hereunder shall be extended to and include the obligation of the Chargor to pay interest at such increased or altered rate.

45. EXTENSIONS

No extension of time given by the Chargee to the Chargor, or anyone claiming under the Chargor or any other dealing with the owner of the Charged Premises, shall in any way affect or prejudice the rights of the Chargee against the Chargor, the Covenantor or any other person liable for the payment of the monies secured by the Charge.

46. BONUS ON DEFAULT

On default of payment of any of the amounts secured by the Charge or payable under the Charge, the Chargee shall be entitled to require payment, in addition to all other amounts secured by the Charge or payable under the Charge, of a bonus equal to three months' interest in advance at the Charge Rate upon the principal amount secured by the Charge at such time, and the Chargor shall not be entitled to require a discharge of the Charge without such payment or notice in lieu thereof as required by law.

47. DISCHARGE

The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge within which to prepare, execute and deliver in the case of a Form 2 Charge or prepare and deliver for registration in the case of an ERS Charge, as the case may be, a discharge or, if requested, and if required by law to do so, an assignment of the Charge, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee. All legal and other expenses for the preparation, execution and registration, as applicable, of such discharge or assignment and any administrative fee or charge of the Chargee in connection therewith shall be borne by the Chargor.

48. OTHER SECURITY

The Charge is in addition to and not in substitution for any other security held by the Chargee including any promissory note or notes for all or any part of the monies secured under the Charge, and it is understood and agreed that the Chargee may pursue its remedies thereunder or under the Charge concurrently or successively at its option. Any judgment or recovery under the Charge or under any other security held by the Chargee for the monies secured by the Charge shall not affect the right of the Chargee to realize upon the Charge or any other such security.

49. PLACE OF PAYMENT

Provided that all such payments secured by the Charge shall be made at the branch of the Chargee designated in the Charge, or at such other place as the Chargee may designate in writing to the Chargor, in lawful money of Canada.

50. SPOUSE'S CONSENT

The spouse of the Chargor so named in the Charge hereby consents to the transaction evidenced by the Charge and releases all interest in the Charged Premises to the extent necessary to give effect to the rights of the Chargee under the Charge, and agrees that the Chargee may, without further notice, deal with the Charged Premises and the debt created by the Charge as the Chargee may see fit.

51. FAMILY LAW ACT

The Chargor covenants and agrees that

- (a) the Chargor or the owner from time to time of the Charged Premises will advise and keep advised the Chargee as to whether the Chargor or the owner from time to time is a spouse as defined in the *Family Law Act*, R.S.O. 1990, c. F.3, as amended (the "Family Law Act"), and if so, the name of the Chargor's spouse, and of any change in the Chargor's spousal status or in the status of the Charged Premises as a matrimonial home within the meaning of the Family Law Act, and
- (b) forthwith on request the Chargor will furnish the Chargee with such evidence in connection with any of the matters referred to in clause 51(a) as the Chargee may from time to time require, including, without limitation, the Chargor's and the Chargor's spouse's name, address and birth date and the Chargor's and the Chargor's spouse's authorization to the Registrar under the *Vital Statistics Act*, R.S.O. 1990, c.V.4, as amended, to provide the Chargee from time to time on request all information in the Chargor's possession relative to any marriage, divorce or death of the Chargor or the Chargor's spouse,
- and on default, then all amounts secured by the Charge, together with accrued interest thereon shall, at the option of the Chargee, forthwith become due and payable.

52. SEVERABILITY OF ANY INVALID PROVISIONS

It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with the provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

53. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

Provided that no failure to enforce at any time or from time to time any of the rights of the Chargee under the Charge shall prejudice such rights or any other rights of the Chargee; no performance or payment by the Chargee in respect of any breach or default under the Charge of the Chargor shall relieve the Chargor from any default under the Charge; and no waiver at any time or from time to time of any such rights of the Chargee shall prejudice such rights in the event of any future default or breach.

54. FARM LANDS

If the Charged Premises are farm lands, the Chargor will in each year during the Term either put into crop or summer fallow in good, proper and husband-like manner every portion of the Charged Premises which has been or may after the date of the Charge be brought under cultivation, and will keep the Charged Premises clean and free from all noxious weeds and generally see that the Charged Premises do not depreciate in any way.

55. CONDOMINIUMS

If the Charge is of a unit within a plan of condominium the following provisions shall apply:

- (a) The Chargor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Chargor by the Condominium Act and by the Declaration, the by-laws and the rules, as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Charged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under the Charge.
- (b) Without limiting the generality of the foregoing, the Chargor covenants and agrees that the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as the owner of the Charged Premises and in the event of the Chargor's default in doing so the Chargee, at its option, may pay the same and the amount so paid shall be added to the debt secured by the Charge and shall be a charge on the Charged Premises and shall bear interest at the same rate from the time of such payments and shall be payable forthwith by the Chargor to the Chargee whether or not any payment in default has priority to the Charge or any part of the monies secured thereby.
- (c) The Charge by the Charge hereby irrevocably authorizes and empowers the Chargee to exercise the right of the Chargor as an owner of the Charged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

- (i) The Chargee may at any time or from time to time give notice in writing to the Chargor and the said Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice the Chargor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.
- (ii) The Chargee shall not by virtue of the assignment to the Chargee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Chargor.
- (iii) The exercise of the right to vote or consent shall not constitute the Chargee a Chargee in possession.

56. RENEWAL OR EXTENSION

Provided that the Charge may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequently to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Chargor. The Chargor and the Covenantor, if applicable, agree that in the event that the renewal agreement provided to the Chargor is not signed and returned to the Chargee on or before the maturity date, the Charge, at the Chargee's option, will be automatically renewed on the terms set out in the renewal agreement.

57. COMPLIANCE WITH THE LAW

The Chargor covenants and agrees at all times to promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Charged Premises or any portion thereof and the Chargor will from time to time, upon request of the Chargee, provide to the Chargee evidence of such observance and compliance, and will at the Chargor's own expense make any and all improvements thereon or alterations to the Charged Premises structural or otherwise and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order

or regulation.

58. CHARGEЕ EXPENSES

The Chargor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to the Charge, and to any and all other documents required in connection therewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any amount payable under the Charge including, without limiting the generality of the foregoing, all solicitors' fees on a solicitor and client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Chargee thereon and all costs and expenses valuing the Charged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of the Charge as against third parties. The Chargor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Charge Rate and shall be a charge on the Charged Premises.

59. INTERPRETATION

It is hereby agreed and declared that the expression "the Chargor" used in the Charge shall include the heirs, personal representatives, executors, administrators, successors and assigns of the Chargor and the expression "the Chargee" shall include the successors and assigns of the Chargee and the words in the singular include the plural and words in the plural include the singular and words importing the masculine gender include the feminine and neuter genders where the context so requires and that all covenants, liabilities, and obligations entered into or imposed under the Charge upon each Chargor shall be equally binding upon his, her, its or their respective heirs, executors, personal representatives, administrators, successors and assigns and that all such covenants, liabilities, advantages, privileges, immunities, powers and things secured to the Chargee shall be equally secured to and exercisable by its successors and assigns; and if the Chargor is comprised of more than one person, all covenants by the Chargor contained in the Charge or implied are and are to be construed as both joint and several.

60. PARAGRAPH HEADINGS

The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

61. DATE OF CHARGE

The Charge shall be deemed to be dated, if the Charge is an ERS Charge, as of the date of delivery for registration of the ERS Charge and, if the Charge is a Form 2 Charge, as of the date of signature of the first named Chargor unless, in either case, as otherwise specifically provided.

62. EFFECT OF DELIVERY OF ERS CHARGE

The delivery of an ERS Charge for registration by direct electronic transfer shall have the same effect for all purposes as if the ERS Charge was in a written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor, and any other party to the Charge agrees not to raise in any proceedings by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the ERS Charge for registration to do so.

DATED this 9th day of July, 2001.

ROYAL BANK OF CANADA

A. Nancy Santini
A. Nancy Santini
Assistant Secretary

Per: 
Name: Scott Brown
Title: Vice President, Mortgages

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STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 20017 Cc/c

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STANDARD CHARGE TERMS CLAUSES TYPES DE CHARGE

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LAND REGISTRATION REFORM ACT SET OF STANDARD CHARGE TERMS

Lfied by: CIBC Mortgages Inc.
 Filing Number: 20018

Filing Date: Aug. 8, 2001
 DIRECTOR OF LAND REGISTRATION
 DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in the schedule if any.

1. DEFINITIONS:

In this set of standard charge terms:

Act means the *Land Registration Reform Act, R.S.O. 1990, C.I.4*, (as amended or replaced);
 borrower, you and your mean each person who signs the mortgage as chargor(s);

CMHC means Canada Mortgage and Housing Corporation;

GEMI means GE Capital Mortgage Insurance Company (Canada);

Interest adjustment date means the date specified in the registered document;

lender, we, our and us mean CIBC Mortgages Inc., as chargee;

loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;
 mortgage or charge, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;

paragraph refers to a numbered paragraph in this set of standard charge terms;

principal amount means the amount set out in the registered document;

registered document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;

schedule means any schedule attached to the Charge/Mortgage of Land; and
 your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

- (a) if you are the owner of your property, you charge your entire interest in your property to us; or
- (b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. BETTER THAN PRIME VARIABLE, VARIABLE AND VARIABLE CAP INTEREST RATES (Applicable only to Better Than Prime Variable, Variable Rate Open and Variable Cap Rate Mortgages)

(a) Interest Rate

The interest rate payable by you specified in the registered document is a variable rate per annum equal to:

- (i) the CIBC Mortgage Prime Rate of CIBC Mortgages Inc. as declared from time to time (the "CIBC Mortgage Prime Rate") in the case of Variable Rate Open and Variable Cap Rate mortgages, or

- (ii) the Better Than Prime mortgage rate of CIBC Mortgages Inc., as declared from time to time (the "Better Than Prime mortgage rate") in the case of Better Than Prime variable rate mortgage plus a certain number of percentage points per annum specified in the registered document. The interest rate will vary each time there is a change in the CIBC Mortgage Prime Rate or the Better Than Prime mortgage rate, as the case may be, without any notice to you. At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated monthly not in advance and is payable on the loan amount both before and after the balance due date default and judgment, until the loan amount has been paid in full.

Paragraph 45 shows equivalent interest rates calculated semi-annually not in advance for current mortgage rates calculated monthly not in advance and Paragraph 46 shows how to calculate how much of each monthly payment is interest and how much, if any, is principal.

(b) How You May Determine the Interest Rate

The CIBC Mortgage Prime Rate or the Better Than Prime mortgage rate, as applicable, and the current mortgage rate payable on the loan amount remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the CIBC Mortgage Prime Rate or the Better Than Prime mortgage rate, as applicable, we may mail to you, at your last known address according to our records, a notice of the changed CIBC Mortgage Prime Rate or the Better Than Prime mortgage rate, as applicable, its effective date, the current mortgage rate and its equivalent, calculated semi-annually not in advance. The interest rate will still vary under paragraph 5(a) even if we fail to send you such a notice or you fail to receive it. The CIBC Mortgage Prime Rate and Better Than Prime mortgage rate in effect at any time are available at any branch in Canada of Canadian Imperial Bank of Commerce.

(c) Deferred Interest

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. You may pay deferred interest by separate payment as your regular payment will not be applied to such interest. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

(d) Variable Cap Rate (Applicable only to Variable Cap Rate Mortgages)

Although your current mortgage rate will vary as provided for in paragraph 5(a), during the term of the mortgage it will never exceed the cap rate specified in the registered document.

6. COMPOUND INTEREST

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest, at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). This additional interest must be paid by you immediately when we require, both before and after the balance due date, default and judgment.

7. REPAYMENT OF LOAN AMOUNT

(a) Currency and Place

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) Interest Adjustment Date

- (i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or be deducted by us on the first regular mortgage payment date. If you have a Variable Cap Rate mortgage, interest will be calculated at the lesser of the rate specified in the registered document in effect on the date of advance or the cap rate specified in the registered document, if any.

- (ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances, interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance.

(c) Regular Payments

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the registered document.

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(d) Term/ Amortization (Applicable only to Better Than Prime Variable Rate and Variable Rate Mortgages)

The annual interest rate specified in your mortgage is subject to variations as set out herein. The principal and interest payment, however, is fixed during the term of the mortgage unless changed by you pursuant to the terms of your mortgage, if applicable. Payments are applied to the current interest on the outstanding principal owing up to the date of such payment and then the balance, if any, to the principal amount. If the annual interest rate increases, a larger portion of the regular payment will be applied to interest and a smaller portion to principal, with the result that the balance owing on the maturity date may be larger than the amount originally set out in your mortgage disclosure statement. If the interest rate rises above the trigger rate set out in your mortgage disclosure statement, your principal and interest payment will no longer cover the interest portion of your mortgage owing and the amortization period of the mortgage may increase. In such a case, you shall be required to increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage.

(e) Payment Provisions on Default

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and life insurance premiums (if applicable) on a monthly basis.

In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 21.

(f) Bank Account for Payments

You must maintain an account of a type satisfactory to us with a branch of Canadian Imperial Bank of Commerce and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and life insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

8. HOW WE APPLY YOUR PAYMENTS

Each of your regular payments will be used in the following order to pay: a) collection expenses, if any; b) life insurance premium, if any; c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of the mortgage, including tax accounts (the "escrow accounts"); d) to pay interest or reduce the interest (other than deferred interest) on the principal amount accumulated to but not including the payment date; and e) to reduce the principal amount. However, if you do not meet any of your obligations under the mortgage we may apply your payment or any other money we receive towards any part of the outstanding loan amount we choose. You may pay arrears of interest by separate payment as your regular payment will not be applied to such interest. The amount of interest in arrears may be obtained by contacting us.

9. YOUR PREPAYMENT RIGHTS (Applicable to All Mortgages)

(a) If the term of the mortgage is greater than five years and you are not a corporation, or if this is a CMHC or GEMI insured mortgage which covers a rental housing project as defined in the *National Housing Act*, R.S.C. 1985, C.n.11, (as amended or replaced), you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.

(b) If you have a CMHC or GEMI insured fixed rate closed mortgage which does not cover a rental housing project as defined in the *National Housing Act* and the term of the mortgage is greater than three years, you may prepay the principal amount of the mortgage at any time after the end of the third year of the term, and in such case you agree to pay us, in addition to the principal and interest to the date of payment, three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.

(c) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

(d) If you have complied with all your obligations under the mortgage and your property either contains no more than four living units (or no more than three living units if it is a CMHC or GEMI insured Better Than Prime variable rate, Variable Rate Open or Variable Cap Rate mortgage) or is a single residential condominium unit, then you have the following prepayment rights:

9.1. STANDARD PREPAYMENT PRIVILEGES

IF YOU HAVE A FIXED RATE CLOSED, A SIX MONTH TERM CONVERTIBLE CLOSED, A BETTER THAN PRIME VARIABLE RATE OR VARIABLE CAP RATE MORTGAGE:

(A) In each calendar year, you may increase the amount of your regular principal and interest payment without penalty. The total of these increases during the term of your mortgage may not exceed one hundred percent (100%) of the amount of the original regular mortgage payment payable under the mortgage. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period, less the amount of time that has elapsed since you took out the mortgage.

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(B) in each calendar year, you may prepay up to 10% (15% if you have a CIBC AeroMortgage® or a Better Than Prime variable rate mortgage) of the original principal amount of your mortgage without notice, bonus or penalty. Each prepayment will be made on a regular payment date and shall be not less than \$100. If you do not use this privilege in a calendar year, you cannot carry forward this right of prepayment for that calendar year to any following calendar year. This right of prepayment without notice, bonus or penalty does not apply if you prepay the principal amount of the mortgage in full. This is the case even if you have not yet used this right of prepayment in the calendar year during which the mortgage is prepaid in full;

(C) in addition:

(i) IF YOU HAVE A VARIABLE CAP RATE MORTGAGE you may prepay the principal amount of the mortgage in full or in part without notice upon payment of three months' interest calculated at the cap rate on the amount prepaid.

(ii) IF YOU HAVE A FIXED RATE CLOSED OR A 6-MONTH TERM CONVERTIBLE CLOSED MORTGAGE, subject to paragraph 9(b) above for CMHC or GEMI insured mortgages, you may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an amount equal to the greater of:

- three months' interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option, on the amount prepaid by you; or
- the amount, if any, by which interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option, exceeds interest at the current reinvestment interest rate, calculated on the amount prepaid by you, for the remaining term of the mortgage or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the mortgage.

(iii) IF YOU HAVE A BETTER THAN PRIME VARIABLE RATE MORTGAGE you may prepay the principal amount of the mortgage in full or in part without notice upon payment of three months' interest calculated at the interest rate that you are paying on the date of prepayment.

9.II. OPEN PREPAYMENT PRIVILEGES

IF YOU HAVE A FIXED RATE OPEN OR A VARIABLE RATE OPEN MORTGAGE:

You may prepay all or any part of the principal amount (and/or deferred interest if you have a Variable Rate Open mortgage) on any regular mortgage payment date (or at any time if you have a Variable Rate Open mortgage) without notice, bonus or penalty.

You may renew your mortgage before its term has ended without penalty by personally applying at any branch of Canadian Imperial Bank of Commerce. Your only payment for this service is our regular administration fee.

10. EARLY RENEWAL (Applicable only to Fixed Rate Open Mortgages)

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out in the registered document. You must apply in person to use this right of early renewal at any branch of Canadian Imperial Bank of Commerce. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

11. DESIGNATED AMOUNT

(Applicable only to Better Than Prime Variable Rate, Variable Rate Open and Variable Cap Rate Mortgages)

(a) Designated Amount shall mean the lesser of

(A) the original principal amount; or

(B) (i) if you have a conventional mortgage - 75% or such lesser percentage as established by us in our discretion of the fair market value of your property as established by an up-to-date appraisal report of your property which either we may obtain, at your expense, from a real estate appraiser acceptable to us (who may be an employee of ours) or which you provide to us, signed by a real estate appraiser first approved in writing by us; or

(iii) if you have CMHC or GEMI insured mortgage - the lesser of

- 90% for Better Than Prime variable rate and Variable Rate Open mortgages (95% for Variable Cap Rate mortgages) of the lesser of the appraised value or purchase price of your property plus the CMHC or GEMI insurance premium or

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- 105% of the original balance of the mortgage including the CMHC or GEMI insurance premium.

- (b) If the loan amount exceeds the Designated Amount, you shall be required to take one of the following actions:
- (i) increase the amount of each regular payment under the mortgage in order to amortize the mortgage over the remaining amortization period;
 - (ii) reduce the total amount of the loan amount then owing by making a lump sum payment sufficient to reduce such total amount to a point below the designated amount; and
 - (iii) convert the mortgage to a fixed rate mortgage having equal monthly payments.
- If you are unable to do one of (i), (ii) or (iii) above, then, at our option, the mortgage will immediately become due and payable.

12. CONVERTIBILITY

(Applicable only to 6-Month Term Convertible Closed, Better Than Prime Variable Rate, Variable Rate Open and Variable Cap Rate Mortgages)

- (a) If you have complied with all your obligations under the mortgage, you may convert the mortgage to a fixed rate mortgage with the interest rate and containing the terms and provisions that are offered by us to you at the time of conversion. The following conditions also apply:
- (i) **IF YOU HAVE A 6-MONTH TERM CONVERTIBLE CLOSED MORTGAGE** your property must contain no more than four living units (unless it is a single residential condominium unit) and the mortgage must be converted to a fixed rate closed mortgage having a term of one year or greater, or a five year term Variable Cap Rate mortgage, or a five year term Better Than Prime variable rate mortgage; or
 - (ii) **IF YOU HAVE A VARIABLE CAP RATE MORTGAGE** you must pay three months' interest on the principal outstanding at the time of conversion calculated at the cap rate; or
 - (iii) **IF YOU HAVE A BETTER THAN PRIME VARIABLE RATE MORTGAGE** you must convert to a fixed rate mortgage having a term of three years or greater.

- (b) You must apply to use this right of conversion in person at any branch of Canadian Imperial Bank of Commerce. You will be able to convert the mortgage by selecting from the mortgage options and programs that we offer at the time you apply for conversion and you must sign our mortgage amending agreement which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement. You agree to pay us any processing or administration fees in connection with the conversion, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the conversion documentation and its registration.

- (c) Once the mortgage has been converted, the prepayment privileges of the mortgage will no longer apply and the prepayment privileges, if any, will be contained in the conversion documentation.

13. AEROMORTGAGE AND CLUB Z** (Applicable only to AeroMortgage and Club Z Mortgage)

- (a) The prepayment privileges contained in paragraphs 9, 9.1 and 9.11 above, apply to the type of AeroMortgage or Club Z mortgage selected by you.
- (b) You (and any guarantor, if applicable) agree that only one Aeroplan® or Club Z account is eligible for Aeroplan Miles or Club Z points credited in respect of the mortgage. If you have a CIBC AeroMortgage, it is your responsibility to ensure that only one CIBC AeroMortgage is associated with one Aeroplan number.
- (c) You agree that the planholder designated by you (who must be 18 years of age or older) (the "Planholder") will be the beneficiary of the Aeroplan Miles or Club Z points which will be credited to the Planholder's account number provided, or to the account number assigned by Air Canada or Zellers Inc.
- (d) You agree that the Planholder will be solely responsible for any tax liability and/or tax reporting obligations arising from the awarding or redemption of Aeroplan Miles or Club Z points.
- (e) You agree that the Planholder designation shall not be changed during the term of the mortgage or during any renewal, and may only be changed at maturity, or at the time of renewal or conversion.
- (f) In the event of a title transfer and/or assumption, we will continue crediting Aeroplan Miles or Club Z points to the designated Planholder until a new Planholder is designated in writing by all parties to the mortgage. We will start crediting Aeroplan Miles or Club Z points to the new Planholder on the payment date following receipt of such designation.
- (g) If the mortgage is in good standing and payments are not in arrears, the Planholder will be credited with Aeroplan Miles or Club Z points on the interest portion paid on the regular payment of principal and interest. The number of Aeroplan Miles or Club Z points to be awarded in respect of interest paid will be determined by us, in our sole discretion, from time to time.
- (h) If the mortgage goes into arrears, we will discontinue crediting Aeroplan Miles or Club Z points. When payments are brought up to date, we will credit accrued Aeroplan Miles or Club Z points.
- (i) Aeroplan Miles and Club Z points accumulated on your mortgage have no monetary value and can only be redeemed as permitted by Air Canada or Zellers Inc., as the case may be. Aeroplan Miles and Club Z points are not transferable.

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- (j) We have the right to cancel the CIBC AeroMortgage or CIBC Club Z Program at any time without prior notice to you.

14. CERTAIN PROMISES YOU MAKE TO US

- (a) You certify and agree with us that:

- (i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;
- (ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property;
- (iii) you have the right to give us the mortgage;
- (iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied;
- (v) to the best of your knowledge and belief, after reasonable enquiry and investigation:
 - no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
 - no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

- (vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured;
- (vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference;
- (viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

- (c) If you are a tenant or lessee of your property, you also certify and agree with us that:

- (i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;
- (ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;
- (iii) you have the consent of your landlord or lessor, or you have the right without his consent, to charge your interest in the lease to us;
- (iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land title office and except for building and zoning by-laws, with which you and your landlord have complied;
- (v) you will pay rents and other payments required by the lease as they fall due;
- (vi) you will comply with all your other obligations set out in the lease;
- (vii) you will not surrender the lease or cause it to be terminated;
- (viii) you will not make any change in the lease without first obtaining our written consent;
- (ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;
- (x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured;
- (xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;
- (xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 14(b)(xii) as you already have under other provisions of the mortgage and at law;
- (xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 26(a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors.

- (xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 26 and, in particular, under paragraph 26(a)(iv);
- (xv) we may remove you or any other person as trustee of the trust referred to in paragraph 14(b)(xiii) and appoint a new trustee or trustees.

15. DEMOLITION AND ALTERATIONS

- (a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.
- (b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

16. INSURANCE (Paragraph 16 does not apply if your property is a single residential condominium unit)

- (a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their full replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.
- (b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.
- (c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money which we pay for insurance will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.
- (d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:

- (i) used to repair or rebuild your property;
- (ii) paid to you; and/or
- (iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

17. PROPERTY TAXES

- (a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.

- (b) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.

- (c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax instalment calculated as below, based on the estimated annual taxes (as determined by us) that will be payable for the year following such regular mortgage payment date. The amount of each tax instalment shall be:

- (i) if the payments of the principal and interest are weekly:
estimated annual taxes x 7/365
- (ii) if the payments of the principal and interest are bi-weekly:
estimated annual taxes x 14/365
- (iii) if the payments of the principal and interest are semi-monthly:
estimated annual taxes x 1/24
- (iv) if the payments of the principal and interest are monthly:
estimated annual taxes x 1/12

- (d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 17(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them. We do not have

to hold any moneys which you send us under this paragraph 17 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may if we wish, apply any moneys which we have received under paragraph 17 to any portion of the loan amount.

- (e) Notwithstanding the provisions of this paragraph 17, we may at our option choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year. If, for any reason, you do not pay the taxes when required then paragraphs 17(e) through (d) will apply.

18. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the loan amount.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

19. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been registered and whether or not any part of the principal amount has previously been advanced. Even so, you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for registering the mortgage.

20. LEASES AND RENTS

- (a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option.

- (b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future; all rents payable under such leases and agreements; and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).

- (c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will

- execute and deliver to us an assignment in registerable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for estoppel certificates from tenants and/or specific assignments of leases; and

- give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security.

- (d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 20, then at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.

- (e) Nothing we do under this paragraph 20 will put us in possession of your property and we are not obliged to collect any rent or income from your property nor to comply with any term of any lease or agreement.

- (f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, C.m.40 (as amended or replaced)

21. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will immediately become payable, at our option, if

- (a) you do not make any payment required by the mortgage;
- (b) you do not comply with any of your other obligations under the mortgage;
- (c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 14) is untrue.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

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- (d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;
- (e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or
- (f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

22. BUILDING MORTGAGE

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 19, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act*, R.S.O. 1990, C.c.30 (as amended or replaced) have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

23. RELEASING YOUR LAND FROM THE MORTGAGE

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations, and those of any guarantor, under the mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the loan amount.

24. RENEWING OR AMENDING THE MORTGAGE (This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

25. CERTAIN ACTIONS WE CAN TAKE

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you are a tenant or lessee, under a lease of your property we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses which we incur in so doing.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date will be paid by you or added to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

26. ENFORCING OUR RIGHTS

- (a) **Remedies** - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

- (i) **Sue you** - We may take such action as is necessary to collect the loan amount.
- (ii) **Foreclosure or Sale** - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

- (iii) **Lease Your Property** - If your default continues for 15 days, we may, on 15 days notice to you, enter on and lease your property; if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (iv) **Power of Sale** - If your default continues for 15 days we may, on at least 35 days written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (v) **Enter on Your Property** - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.
- (vi) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the loan amount whether it is due or not.
- (vii) **Cure Any Defaults** - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.
- (b) **Non-Interference** - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.
- (c) **Our expenses** - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of Canadian Imperial Bank of Commerce.
- (d) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.
- (e) **Judgments** - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

27. CONDOMINIUM
(If your property is a condominium unit, you must also comply with paragraph 27 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 16.)

The corporation created by the registration of a declaration under the *Condominium Act*, R.S.O. 1990, c.c.26 (as amended or replaced) is called the "condominium corporation"

- (a) **Compliance with the Condominium Act, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.
- (b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay we may do so on your behalf and you will be in default under the mortgage.
- (c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them

(d) Voting Rights

- (i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation

- (ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

(e) **Acceleration of Repayment of Loan Amount** - At our option, the loan amount will become payable immediately if:

- (i) government of the property of the condominium corporation under the *Condominium Act* is terminated;
- (ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;
- (iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations;
- (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;
- (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or
- (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** - Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. The insurance company or companies must be approved by us. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due. The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

28. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

- (i) we give our written approval to you to transfer your property;
- (ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and
- (iii) you provide us with proof of registration of a Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

29. ASSUMPTION

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

30. INSPECTION

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents have reason to believe that the property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

31. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

32. GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may at any time and from time to time without the consent of or notice to any guarantor give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

33. RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

34. DISCHARGE

After you have paid us the loan amount, we will sign a discharge or, if requested by you, an assignment of the mortgage and send it to you within a reasonable time. You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on your title and to pay the registration fee. If electronic registration is available for your mortgage, we will register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

35. ADMINISTRATION FEES

You agree to pay to us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, amending or other agreement, statements for information purposes, any fees referred to in paragraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the loan amount, which unpaid fees will be charged interest at the rate required by the mortgage. The amount of such fees in effect at any particular time is available from any branch, in Canada, of Canadian Imperial Bank of Commerce, or by contacting us.

36. PORTABILITY

If you have complied with all your obligations under the mortgage, upon written application by you, the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 120 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that:

- (a) on the date of completion of the sale of the property, the loan amount is prepaid in full, and the prepayment of the principal amount outstanding under the mortgage will be subject to the prepayment provisions described above that apply to the mortgage. However, provided the new mortgage is advanced within the 120 day period following prepayment of the mortgage, we will, subject to subparagraph (c) below, refund to you the amount of any penalty interest paid in respect of this prepayment;
- (b) if the principal amount of the new mortgage (the "new mortgage amount") is the same as the principal amount outstanding under the mortgage at the date of prepayment, the mortgage interest rate will apply to the new mortgage for the period of time equivalent to the time from the prepayment date of the mortgage to its maturity date (the "remaining term");
- (c) if the new mortgage amount is less than the principal amount outstanding under the mortgage at the date of prepayment, the mortgage interest rate will apply to the new mortgage for the period of time equivalent to the remaining term of the mortgage, and the penalty interest paid on the amount by which such principal amount outstanding exceeds the new mortgage amount on the date of prepayment will not be refunded to you pursuant to subparagraph (a) above;
- (d) if the new mortgage amount exceeds the principal amount outstanding under the mortgage at the date of prepayment, the new mortgage interest rate will be a rate of interest that blends (i) the mortgage interest rate, and (ii) the rate of interest we offer at that time for a similar type of mortgage with a term similar to the remaining term of the mortgage. The term of the new mortgage will be for a period equivalent to the remaining term of the mortgage. If your mortgage is a Variable Cap Rate mortgage, the additional principal amount must be secured by a new second ranking mortgage registered on title to the new property for a term equivalent to the remaining term of mortgage; and

- (e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees and other expenses incurred in connection with the new mortgage.

37. FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O., 1990, C.13 (as amended or replaced).

38. DOCTRINE OF CONSOLIDATION

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

39. DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document.

40. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, C.o.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

41. WHO IS BOUND

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

42. PARTIAL INVALIDITY

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

43. PARAGRAPH HEADINGS

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

44. NATIONAL HOUSING ACT

All CMHC insured mortgages are made in pursuance of the *National Housing Act*.

45. MAKING MATERIAL CHANGE

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or renewals or extensions of the term of the mortgage will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

46. EQUIVALENT INTEREST RATES

The following information is provided to you since the CIBC Mortgage Prime Rate or the Better Than Prime rate, as the case may be, and the current mortgage rate may be expected to change from time to time. For each current mortgage rate (calculated monthly not in advance) set forth, the adjacent column sets forth the equivalent interest rate calculated semi-annually not in advance.

CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)	CURRENT MORTGAGE RATE CALCULATED MONTHLY NOT IN ADVANCE (%)	EQUIVALENT INTEREST RATE CALCULATED HALF-YEARLY NOT IN ADVANCE (%)
3.000	3.01881	11.000	11.25519	19.000	19.76815
3.125	3.14542	11.125	11.38605	19.125	19.90340
3.250	3.27208	11.250	11.51699	19.250	20.03872
3.375	3.39882	11.375	11.64800	19.375	20.17411
3.500	3.52562	11.500	11.77909	19.500	20.30956
3.625	3.65249	11.625	11.91021	19.625	20.44509
3.750	3.77942	11.750	12.04141	19.750	20.58068
3.875	3.90642	11.875	12.17269	19.875	20.71635
4.000	4.03348	12.000	12.30403	20.000	20.85208
4.125	4.16061	12.125	12.43544	20.125	20.98789
4.250	4.28781	12.250	12.56692	20.250	21.12376
4.375	4.41507	12.375	12.69846	20.375	21.25971
4.500	4.54240	12.500	12.83008	20.500	21.39572
4.625	4.66979	12.625	12.96176	20.625	21.53180
4.750	4.79725	12.750	13.09351	20.750	21.66786
4.875	4.92478	12.875	13.22533	20.875	21.80418
5.000	5.05237	13.000	13.35721	21.000	21.94047
5.125	5.18003	13.125	13.48916	21.125	22.07683
5.250	5.30776	13.250	13.62118	21.250	22.21326
5.375	5.43555	13.375	13.75327	21.375	22.34977
5.500	5.56341	13.500	13.88543	21.500	22.48634
5.625	5.69133	13.625	14.01766	21.625	22.62298
5.750	5.81932	13.750	14.14995	21.750	22.75969
5.875	5.94738	13.875	14.28231	21.875	22.89647
6.000	6.07550	14.000	14.41474	22.000	23.03332
6.125	6.20369	14.125	14.54724	22.125	23.17024
6.250	6.33195	14.250	14.67981	22.250	23.30724
6.375	6.46027	14.375	14.81244	22.375	23.44430
6.500	6.58866	14.500	14.94514	22.500	23.58143
6.625	6.71711	14.625	15.07791	22.625	23.71863
6.750	6.84564	14.750	15.21075	22.750	23.85590
6.875	6.97423	14.875	15.34366	22.875	23.99324
7.000	7.10288	15.000	15.47664	23.000	24.13066
7.125	7.23160	15.125	15.60968	23.125	24.26814
7.250	7.36039	15.250	15.74279	23.250	24.40569
7.375	7.48925	15.375	15.87597	23.375	24.54331
7.500	7.61817	15.500	16.00922	23.500	24.68101
7.625	7.74716	15.625	16.14254	23.625	24.81877
7.750	7.87621	15.750	16.27593	23.750	24.95660
7.875	8.00534	15.875	16.40939	23.875	25.09451
8.000	8.13452	16.000	16.54291	24.000	25.23248
8.125	8.26378	16.125	16.67650	24.125	25.37053
8.250	8.39310	16.250	16.81016	24.250	25.50865
8.375	8.52249	16.375	16.94389	24.375	25.64683
8.500	8.65195	16.500	17.07769	24.500	25.78509
8.625	8.78147	16.625	17.21156	24.625	25.92342
8.750	8.91106	16.750	17.34550	24.750	26.06181
8.875	9.04072	16.875	17.47950	24.875	26.20028
9.000	9.17045	17.000	17.61358	25.000	26.33882
9.125	9.30024	17.125	17.74772	25.125	26.47743
9.250	9.43010	17.250	17.88193	25.250	26.61611
9.375	9.56002	17.375	18.01621	25.375	26.75486
9.500	9.69002	17.500	18.15056	25.500	26.89369
9.625	9.82008	17.625	18.28498	25.625	27.03258
9.750	9.95021	17.750	18.41947	25.750	27.17154
9.875	10.08040	17.875	18.55403	25.875	27.31058
10.000	10.21066	18.000	18.68865	26.000	27.44969
10.125	10.34099	18.125	18.82335	26.125	27.58886
10.250	10.47139	18.250	18.95811	26.250	27.72811
10.375	10.60185	18.375	19.09295	26.375	27.86743
10.500	10.73236	18.500	19.22785	26.500	28.00682
10.625	10.86296	18.625	19.36282	26.625	28.14628
10.750	10.99365	18.750	19.49766	26.750	28.28581
10.875	11.12436	18.875	19.63297	26.875	28.42541

47. DETERMINATION OF THE COMPONENTS OF MORTGAGE PAYMENTS

While the amount of each regular mortgage payment (excluding any amount payable in respect of taxes and life insurance) to be paid by you under the mortgage is fixed under the terms of the mortgage, the amount of the interest and principal components of each regular mortgage payment may vary as the current mortgage rate varies. The following provides a method whereby you may calculate the portion of each regular mortgage payment which will be applied to the payment of interest or deferred interest or in reduction of the principal amount.

METHOD OF CALCULATION

1. Determine the number of days in the payment period, including the date of the immediately preceding payment (or, in the case of the first payment, the interest adjustment date) and excluding the date on which the regular mortgage payment is being paid.
2. a) Determine, for each different current mortgage rate chargeable during the payment period, the number of days on which such current mortgage rate was chargeable. Apply the following formula, for each such current rate, in order to determine the amount of interest which accrued on the principal sum in the payment period for each current mortgage rate:

Principal amount owing after immediately preceding payments	X	Current mortgage rate	X	Number of days during payment period on which such current mortgage rate was chargeable	
				Number of days in the year	

(If the calculation is made in respect of the first regular mortgage payment, the principal amount used in the formula will be the principal amount owing on the interest adjustment date.) Add each of the interest components calculated in accordance with this formula in order to determine the **total amount of interest** which accrued on the principal amount during the period.

- The same procedure is followed to determine the total amount of interest which accrued on any deferred interest during the period, except that, in the formula, the deferred interest owing after the immediately preceding payment is used instead of the principal amount then owing. The total amount of interest which accrued on the deferred interest during the period is then added to the deferred interest which was owing after the immediately preceding regular mortgage payment in order to determine the **deferred interest outstanding** on the mortgage payment date.
- The regular mortgage payment is applied as follows:
 - collection expenses, if any;
 - life insurance premiums;
 - escrow accounts;
 - total amount of interest which accrued on the principal during the period;
 - reduction of the principal amount.

EXAMPLE

1. The following example indicates how these calculations are carried out in practice. In this example, assume the following information:

- a) the principal amount owing after the immediately preceding regular mortgage payment - \$50,000.00;
- b) the amount of deferred interest owing after the immediately preceding regular mortgage payment - \$40.00;
- c) current mortgage rate during the payment period - 20%;
- d) the amount of the regular mortgage payment - \$1,050.00;
- e) number of days in the payment period - 28.

2. a) Use the formula set out above to determine the interest that accrued on the principal amount during the period -

$$\begin{array}{r r r r r r r} \$50,000 & \times & 20 & \times & 28 & = & \$767.12 \\ & & & & 100 & 365 & \end{array}$$

- b) Use the formula to determine the interest which has accrued on the deferred interest during the period -

$$\begin{array}{r r r r r r r} \$40 & \times & 20 & \times & 28 & = & \$0.61 \\ & & & & 100 & 365 & \end{array}$$

Add this amount to the deferred interest owing after the immediately preceding regular mortgage payment to determine the deferred interest outstanding on the regular mortgage payment date - $\$40.00 + \$0.61 = \$40.61$

- c) Apply the regular mortgage payment (\$1,050.00) to collection expenses (assume \$45.00), life insurance premiums (assume \$80.00), tax account (assume \$100.00), then to the total amount of interest which accrued on the principal during the period (\$767.12) leaving a balance of \$57.88. Apply this balance to reduction of the principal amount. You may pay any outstanding interest in arrears/deferred interest by separate payment.

DATED at Toronto, this 2nd day of August, 2001.

Christie A. McNeill

Christie A. McNeill
Solicitor for CIBC Mortgages Inc.



STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 20019 Cole
Filing Date Aug. 8, 2001 Date de Dépôt
Page 1 of 10 Thirteen (13) Pages

Jan Veith
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

 **Prudential Financial**
services provided by Canadian
Imperial Bank of Commerce

Ontario

LAND REGISTRATION REFORM ACT SET OF STANDARD CHARGE TERMS

Filed by: CIBC Mortgages Inc.
Filing Number: 20019

Filing Date: Aug. 8, 2001

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in a schedule, if any.

1. DEFINITIONS

In this set of standard charge terms:

Act means the *Land Registration Reform Act, R.S.O. 1990, c.14*, (as amended or replaced);

borrower, you and **your** mean each person who signs the mortgage as charger(s);

CMHC means Canada Mortgage and Housing Corporation;

GEMI means GE Capital Mortgage Insurance Company (Canada);

Interest adjustment date means the date specified in the registered document;

lender, **we**, **our** and **us** mean CIBC Mortgages Inc., as chargee;

loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;

mortgage, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;

paragraph refers to a numbered paragraph in this set of standard charge terms;

principal amount means the amount set out in the registered document;

registered document means for the non-electronic paper based registration system, the Form 2 Charge/

Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;

schedule means any schedule attached to the Charge/Mortgage of Land; and

your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in Section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

- (a) if you are the owner of your property, you charge your entire interest in your property to us; or
- (b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date in the registered document, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. VARIABLE INTEREST RATE (Applicable only to Variable Rate Mortgage and Special Variable Rate Mortgage)

(a) Interest Rate

At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated semi-annually not in advance and is payable on the loan amount both before and after the balance due date, default and judgment, until the loan amount has been paid in full.

- (i) If you have a Variable Rate Mortgage, the interest rate payable by you specified in the registered document is a floating rate which is adjusted on the first day of each month. The first interest rate adjustment will not occur until three months from the interest adjustment date. The

interest rate payable for each month shall be the rate per annum equal to the prime rate of Canadian Imperial Bank of Commerce in effect on the first day of such month (the "mortgage prime rate") less .375%.

- (ii) If you have a Special Variable Rate Mortgage, the interest rate payable by you specified in the registered document is a floating rate which is adjusted daily as the prime rate of Canadian Imperial Bank of Commerce (the "mortgage prime rate") changes from time to time. The interest rate payable for each month of the term shall be the rate per annum equal to the mortgage prime rate in effect from time to time less 1.250% for the first six (6) months from the interest adjustment date and the mortgage prime rate in effect from time to time less 0.25% for the remainder of the term. The principal and interest payment will be recalculated every time the mortgage prime rate changes based on the current mortgage rate and the then remaining amortization period on the mortgage.

(b) **How You May Determine the Interest Rate.**

The mortgage prime rate, the current mortgage rate payable and the principal and interest payment on the loan amount remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the mortgage prime rate, we may mail to you, at your last known address according to our records, a notice of the changed mortgage prime rate, its effective date, the current mortgage rate and the changed principal and interest payment, if applicable, calculated semi-annually not in advance. The interest rate and payment amount will still vary under paragraph 5(a) even if we fail to send you such a notice or you fail to receive it. The mortgage prime rate in effect at any time is available at any branch in Canada of Canadian Imperial Bank of Commerce.

(c) **Deferred Interest**

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. You may pay deferred interest by separate payment as your regular payment will not be applied to such interest. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

6. **COMPOUND INTEREST**

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). You must pay this additional interest immediately when we require, both before and after the balance due date, default and judgment.

7. **REPAYMENT OF LOAN AMOUNT**

(a) **Currency and Place**

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) **Interest adjustment date**

(i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or be deducted by us on the first regular mortgage payment date. If you have a Variable Rate Mortgage or a Special Variable Rate Mortgage, interest will be calculated at the lesser of the rate specified in the registered document in effect on the date of advance or the initial rate set seven days prior to the date of advance.

(ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances, interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance.

(c) **Regular Payments**

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document, starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the registered document.

(d) **Payment Provisions on Default**

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and insurance premiums (if applicable) on a monthly basis in such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 27.

(e) **Bank Account for Payments**

You must maintain an account of a type satisfactory to us with a Canadian financial institution and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

(f) **Principal Balance never to exceed 105% of Original Loan Amount (Applicable only to Variable Rate Mortgage)**

In the event that the total of the outstanding principal balance of the mortgage plus all regular and variable accrued interest thereon equals or exceeds 105% of the original balance, you shall be required to:

- (i) increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage;
- (ii) make a lump sum payment on account of principal plus regular and variable accrued interest in order that the resulting balance not exceed 100% of the original principal balance during the remainder of the current term, or
- (iii) convert the mortgage to one having a fixed rate of interest, equal monthly payments and for any term then being offered by us for *National Housing Act*, R.S.C. 1985, C.n.11 (as amended or replaced) insured loans. There will be no charge for converting to the longer term. The rate will be the current posted rates for the appropriate term. The rate change will be effective on the first of the month following notification, in writing, of the requested modification.

(g) **Term/ Amortization (Applicable only to Variable Rate Mortgage)**

The annual interest rate specified in your mortgage is subject to variations as set out herein. The principal and interest payment, however, is fixed during the term of the mortgage unless changed by you pursuant to the terms of your mortgage, if applicable. Payments are applied to the current interest on the outstanding principal owing up to the date of such payment and then the balance, if any, to the principal amount. If the annual interest rate increases, a larger portion of the regular payment will be applied to interest and a smaller portion to principal, with the result that the balance owing on the maturity date may be larger than the amount originally set out in your mortgage disclosure statement. If the interest rate rises above the trigger rate set out in your mortgage disclosure statement, your principal and interest payment will no longer cover the interest portion of your mortgage owing and the amortization period of the mortgage may increase. In such a case, you may be required to increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage.

8. **HOW WE APPLY YOUR PAYMENTS**

Each of your regular payments will be used in the following order to pay: a) collection expenses, if any; b) insurance premium, if any; c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts debited in respect of the mortgage, including tax accounts (the "escrow accounts"); d) to pay interest or reduce the interest (including any deferred interest outstanding) on the principal amount accumulated to but not including the payment date; e) to satisfy the tax portion of the mortgage payment (if applicable); and f) to reduce the principal amount. However, if you do not meet any of your obligations under the mortgage, we may apply your payment or any other money we receive towards any part of the outstanding loan amount we choose. You may pay arrears of interest by separate payment as your regular payment will not be applied to such interest. The amount of interest in arrears may be obtained by contacting us.

9. **YOUR PREPAYMENT RIGHTS (Applicable to all Mortgages)**

- (a) If the term of the mortgage is greater than five years and you are not a corporation, or if this is a CMHC or GEMI insured mortgage which covers a rental housing project as defined in the *National Housing Act*, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (b) If you have a CMHC or GEMI insured fixed rate closed mortgage which does not cover a rental housing project as defined in the *National Housing Act* and the term of the mortgage is greater than five years, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and in such case you agree to pay us, in addition to the principal and interest to the date of payment, three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (c) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.
- (d) If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights, depending on the type of mortgage you selected:

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

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9.I CONVERTIBLE MORTGAGES

(A) If you have a Variable Rate Mortgage or a Special Variable Rate Mortgage:

(i) PREPAYMENTS:

When not in default, you shall have the privilege of paying additional amounts of principal, without notice or bonus, on any payment date. Such additional payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

Any amount of prepayment made in excess of the above 20%, will be subject to an administration fee equal to the equivalent of two months' interest on the amount being prepaid calculated using the then current mortgage rate as provided herein or any renewal or amending agreement applicable thereto during the first three years. The mortgage is fully open to prepayment in years 4 and 5 with no administration fee.

(ii) MONTHLY PAYMENT ADJUSTMENT:

When not in default, you shall have the privilege of increasing the amount of your regular principal and interest payment to any amount provided that the amortization period of your mortgage is not reduced to less than five years. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period less the time that has elapsed since you took out the mortgage. You may increase or decrease the amount of the monthly principal and interest payment as set out above once during any 12 month period following the interest adjustment date or anniversary thereof.

(B) If you have an Auto 6 Plus, an Auto 12 Plus, a Convertible 6, or a Convertible 12 Mortgage:

(i) SALE CLAUSE:

The mortgage may be paid out in full at any time, upon a bona fide arm's length sale of your property with supporting documentation, upon payment of an administration fee equal to 1% of the amount of the outstanding principal balance plus any interest or other amounts owing up to the date of discharge.

(ii) PARTIAL PREPAYMENT:

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage if you have an Auto 12 Plus or Convertible 12 Mortgage or 10% if you have an Auto 6 Plus or Convertible 6 Mortgage, during either the original term or during any renewal term of this mortgage.

This privilege is non-cumulative and is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) MONTHLY PAYMENT ADJUSTMENT:

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, except for Auto 6 Plus and Convertible 6 Mortgage, where the amount cannot exceed 15%, once during any 12 month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12 month period following the interest adjustment date or anniversary thereof. Provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iv) FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY OTHER THAN ON A SALE

This mortgage is closed during its original term and during each renewal term. The only prepayment of principal which will be accepted during that period are those as outlined above.

9.II FIXED RATE MORTGAGES

(A) If you have a fixed rate term mortgage with a term of 2-years or longer (except a Basic Mortgage):

(i) PARTIAL PREPAYMENT:

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(ii) MONTHLY PAYMENT ADJUSTMENT

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, once during any 12-month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than

the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12 month period following the interest adjustment date or anniversary thereof provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iii)

FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:

Subject to paragraphs 9 (a) and 9 (b) above, you may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an administration fee equal to the greater of:

- Three months' interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option, on the principal amount in lieu of notice; or
- The amount, if any, by which interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option exceeds interest at the current reinvestment interest rate, calculated on the principal amount prepaid by you, for the remaining term of the mortgage or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the mortgage.

(B) If you have a Basic Mortgage:

(i) CLOSED MORTGAGE:

The mortgage is closed for the first three years following each of the original interest adjustment date or the interest adjustment date of any renewal hereof. The only prepayments of principal which will be accepted during that period are as outlined below in clause (iii) - Full Payment and Discharge Prior to Maturity and clause (ii) - Partial Prepayment.

(ii) PARTIAL PREPAYMENT:

When not in default, you shall have the privilege of prepaying up to 10% of the original principal amount of your mortgage, once per year on the anniversary of the interest adjustment date together with an administration fee. The administration fee is calculated as the equivalent of 3 months' interest on the amount of the prepayment calculated using the interest rate as set out in the registered document or any renewal or amending agreement applicable thereto.

This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:

The mortgage may be paid out in full and a discharge granted only after the later of the third anniversary of the original interest adjustment date or the third anniversary of any renewal hereof upon payment of the outstanding principal balance plus interest and any other amounts owing together with an administration fee. The administration fee is calculated as the equivalent of three months' interest on the outstanding principal balance calculated using the interest rate applicable as per the registered document or any renewal agreement thereto.

10.

INCREASE AND BLEND (Not applicable to Auto 6 Plus, Convertible 6, Special Variable Rate and Variable Rate Mortgages)

Provided that our mortgage approval criteria, including those as to the borrower and the mortgage terms are met, you have the privilege of increasing the principal amount secured and/or extending the term of the mortgage at a rate of interest blended to reflect the existing mortgage rate, the prevailing rates, prepayment privilege fees and administration fees, if any.

11.

EARLY RENEWAL (Applicable to Fixed Rate Mortgages)

In the event that the mortgage is amended to extend the term hereof, the date of the mortgage for the purpose of the application of *Section 10 of the Interest Act (Canada)* or any similar Federal or Provincial legislation permitting prepayment, shall be conclusively deemed to be the first day of the last extension of time for payment and the mortgage as amended shall not, at any time or times, be subject to prepayment, in whole or in part, save as may be herein provided.

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes or if you have a 5 year term uninsured mortgage, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out the registered document. You must apply in writing to use this right of early renewal. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

12. AUTOMATIC RENEWAL OF MORTGAGE

- I If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage: When not in default and further provided that you have maintained a satisfactory payment record, the mortgage shall automatically renew at the end of its original 6 or 12-month term and at the end of each subsequent 6 or 12-month renewal term into a new 6 or 12-month term, depending on the length of the original term.

The rate charged during each renewal term would be the lower of our posted rate on the renewal date for this type of mortgage or the guaranteed renewal rate.

We will mail a notice of the Guaranteed Renewal Rate to you 30 days prior to the end of the original term and of each renewal term of the mortgage. You may, at your sole option, terminate this automatic renewal clause and pay out the mortgage in full at the end of any term by notifying us of your decision to do so at least 15 days prior to the end of that term.

- II If you have a mortgage with original term greater than 12 months: You agree to either pay the monies owing under the mortgage on the maturity date set out in the registered document or, if a renewal agreement has been provided, return the executed renewal agreement on or before the maturity date, failing which both you and we agree that the mortgage shall be deemed to be renewed as an Auto 6 Plus Mortgage/Convertible 6 Mortgage on the terms and conditions set out in the renewal agreement.

13. MORTGAGES WITH DEPOSITS

If required pursuant to the terms of your mortgage loan, you shall deposit funds as a mortgage security deposit. You authorize us to deduct the deposit from the principal amount advanced. You will earn interest on the deposit amount at the 30-day deposit rate of the Canadian Imperial Bank of Commerce. The deposit must be advanced within 120 days from the date of funding. If this is not done, you authorize us to apply the deposit on account of the mortgage principal and the monthly payment will be adjusted to reflect the lower principal balance. Interest will not be paid if the deposit is not released to you. You agree to sign an amending agreement which is to be registered on title to your property.

14. CONVERSION OPTION (Applicable only to Variable Rate Mortgage, Special Variable Rate Mortgage, Auto 6 Plus, Auto 12 Plus, Convertible 6, and Convertible 12 Mortgages)

- I. If you have a Variable Rate Mortgage or a Special Variable Rate Mortgage:

Providing your property is owner occupied, the mortgage can be converted to one having a fixed rate of interest, equal monthly payments and for any term of three years or longer up to a maximum of ten years then being offered by us for *National Housing Act* insured loans. If your property is a rental property, a maximum conversion term of 5 years will be available. There will be no charge for converting.

- II. If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage:

The mortgage, at your option, may be converted, by amendment thereof, without charge, to a term in excess of 1-year then being offered by us. The rate applicable to the mortgage as amended will be our then posted rate for the term selected.

To exercise the conversion privilege in either I or II above, written notice signed by you must be delivered to our Mortgage Servicing Division. The interest rate will be the current posted rate for the term selected. The new payments at the new interest rate will commence on the next scheduled payment date or the immediately following payment date as determined by us. Upon conversion, the provisions of paragraph 9.1 will no longer apply to the mortgage as amended. An executed Amending/Modification Agreement may be requested, by us, but the written notice to us will be binding upon you and we shall be entitled to rely on it.

15. CERTAIN PROMISES YOU MAKE TO US

- (a) You certify and agree with us that

- (i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;
- (ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property;
- (iii) you have the right to give us the mortgage;
- (iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied;
- (v) to the best of your knowledge and belief, after reasonable enquiry and investigation
 - no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
 - no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property;

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph.

- (vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured.

- (vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference.

- (viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.
- (b) If you are a tenant or lessee of your property, you also certify and agree with us that:
- (i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;
 - (ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;
 - (iii) you have the consent of your landlord or lessor, or you have the right without his consent to charge your interest in the lease to us;
 - (iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land titles office and except for building and zoning by-laws, with which you and your landlord have complied;
 - (v) you will pay rents and other payments required by the lease as they fall due;
 - (vi) you will comply with all your other obligations set out in the lease;
 - (vii) you will not surrender the lease or cause it to be terminated;
 - (viii) you will not make any change in the lease without first obtaining our written consent;
 - (ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;
 - (x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured;
 - (xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;
 - (xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 15(b)(xii), as you already have under other provisions of the mortgage and at law;
 - (xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 27 (a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors;
 - (xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 27 and, in particular, under paragraph 27(a)(iv);
 - (xv) we may remove you or any other person as trustee of the trust referred to in this paragraph 15(b)(xii) and appoint a new trustee or trustees.

16. DEMOLITION AND ALTERATIONS

- (a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.

- (b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

17. INSURANCE (Paragraph 17 does not apply if your property is a single residential condominium unit)

- (a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their guaranteed replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.
- (b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.
- (c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money, which we pay for insurance, will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.

- (d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:

- (i) used to repair or rebuild your property;
- (ii) paid to you; and/or
- (iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

18. PROPERTY TAXES

- (a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.
- (b) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.
- (c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax installment, based on the estimated annual taxes and anticipated future payments of taxes (as determined by us) that will be payable for the year following such regular mortgage payment date.
- (d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 18(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them, failing which you will repay to us the cost of obtaining such documentation and, if not paid, we will add such cost to the loan amount. We do not have to hold any moneys which you send us under this paragraph 18 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may, if we wish, apply any moneys which we have received under paragraph 18 to any portion of the loan amount.
- (e) Notwithstanding the provisions of this paragraph 18 we may, at our option, choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year, failing which you will repay to us the cost of obtaining such receipts and, if not paid, we will be add such cost to the loan amount. If, for any reason, you do not pay the taxes when required, then paragraphs 18 (a) through (d) will apply.

19. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph 19, then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the loan amount.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

20. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been signed and registered and whether or not any part of the principal amount has previously been advanced. Even so, by signing the mortgage you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for preparing and registering the mortgage.

21. LEASES AND RENTS

- (a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option. You agree to keep us informed of the status of occupancy.
- (b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future, all rents payable under such leases and agreements, and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).
- (c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will
 - * execute and deliver to us an assignment in registrable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for stoppage certificates from tenants and/or specific assignments of leases; and
 - * give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security.

- (d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 21, then at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.

- (e) Nothing we do under this paragraph 21 will put us in possession of your property and we are not obliged to collect any rent or income from your property or to comply with any term of any lease or agreement.

- (f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, C.m.40 (as amended or replaced).

22. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will immediately become payable, at our option, if:

- (a) you do not make any payment required by the mortgage;
- (b) you do not comply with any of your other obligations under the mortgage;
- (c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 15) is untrue;
- (d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;
- (e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or
- (f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

23. BUILDING MORTGAGE

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 20, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act*, R.S.O. 1990, C.c.30 (as amended or replaced) have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

24. RELEASING YOUR LAND FROM THE MORTGAGE

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations, and those of any guarantor, under the mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the loan amount.

25. RENEWING OR AMENDING THE MORTGAGE

(This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

26. CERTAIN ACTIONS WE CAN TAKE

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you are a tenant or lessee, under a lease of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses which we incur in so doing.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of charges requested by you to frequency of payments or to the regular payment date will be paid by you or added to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

27. ENFORCING OUR RIGHTS

- (a) Remedies - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

- (i) Sue you - We may take such action as is necessary to collect the loan amount.
- (ii) Foreclosure or Sale - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.
- (iii) Lease Your Property - If your default continues for 15 days, we may, on 15 days' notice to you, enter on and lease your property, if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (iv) Power of Sale - If your default continues for 15 days' we may, on at least 35 days' written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (v) Enter on Your Property - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.
- (vi) Appoint a Receiver - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition, pay his own commission as receiver, pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing, pay interest owing under the mortgage, and pay all or any part of the loan amount whether it is due or not.

- (vii) Cure Any Defaults - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

- (b) Non-interference - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.

- (c) Our expenses - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of Canadian Imperial Bank of Commerce.

- (d) Delay in Enforcement - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.

- (e) Judgments - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage including our right to receive interest as required by the mortgage.

28. CONDOMINIUM

(If your property is a condominium unit, you must also comply with paragraph 28 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 17.)

The corporation created by the registration of a declaration under the *Condominium Act, R.S.O. 1990, c. 26* (as amended or replaced) is called the "condominium corporation".

- (a) **Compliance with the Condominium Act, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.
- (b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and you will be in default under the mortgage.
- (c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.
- (d) **Voting Rights** -
- (i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.
 - (ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.
- (e) **Acceleration of Repayment of Loan Amount** - At our option, the loan amount will become payable immediately if:
- (i) government of the property of the condominium corporation under the *Condominium Act* is terminated;
 - (ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;
 - (iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations;
 - (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;
 - (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or
 - (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

- (f) **Insurance** - Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. We must approve the insurance company or companies. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

29. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

- (i) we give our written approval to you to transfer your property,
- (ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and

- (iii) you provide us with a copy of the registered Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

30. ASSUMPTION

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

31. INSPECTION

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents have reason to believe that your property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

32. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

33. GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may, at any time and from time to time, without the consent of or notice to any guarantor, give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

34. RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

35. DISCHARGE OF MORTGAGE

Upon maturity or early full payment of this mortgage, a discharge or assignment, if requested by you, will only be delivered upon full payment being received by us in accordance with our latest issued and current discharge statement. For purposes of calculating per diem interest on a discharge, funds received after 3:00 p.m. on any business day shall be deemed to have been received on the next following business day. We further reserve the right to refuse a discharge or transfer of this mortgage until any charges or returned cheque amounts arising after the discharge statement is issued are also fully paid to us.

You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on title and to pay the registration fee. If electronic registration is available for your mortgage, we may register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

36. FEES

You agree to pay us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, discharges, amending or other agreement, statements for information purposes, payment frequency changes, any fees referred to in paragraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the loan amount, which unpaid fees will be charged interest at the interest rate required by the mortgage.

The amount of such fees in effect at any particular time is available by contacting us.

37. PORTABILITY

If you have complied with all your obligations under the mortgage, upon written application by you, upon the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 90 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that

- a on the date of completion of the sale of the property, an amount sufficient to pay the outstanding principal amount of the new mortgage, together with interest accrued thereon to date and any administration fees according to the prepayment provisions described in paragraph 9 above that apply to the mortgage will be held by our solicitor in trust to be released upon registration of the new mortgage within the 90-day period

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

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- (b) if the new mortgage is not registered within 90 days of such sale, the amount referred to in (a) above, will be applied to prepay the mortgage in full and to pay any administration fees required in respect of this prepayment;
- (c) you will continue to make regular mortgage payments as referred to in paragraph 7;
- (d) the mortgage must be transferred to the new property with no changes in outstanding balance, interest rate, terms or any other conditions applicable herein; and
- (e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees, CMHC or GEMI insurance premiums, and other expenses incurred in connection with the new mortgage.

38. FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made herein and in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O., 1990, C.f.3 (as amended or replaced).

39. DOCTRINE OF CONSOLIDATION

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

40. DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document regardless of the date of signature that appears in the registered document.

41. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, C.o.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

42. WHO IS BOUND

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

43. PARTIAL INVALIDITY

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

44. PARAGRAPH HEADINGS

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

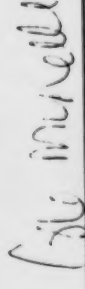
45. NATIONAL HOUSING ACT

All CMHC insured mortgages are made in pursuance of the *National Housing Act*.

46. MAKING MATERIAL CHANGE

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or renewals or extensions of the mortgage term will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

Dated at Toronto, this 2nd day of August, 2001.



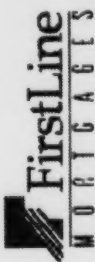
Christie A. McNeill

Solicitor for CIBC Mortgages Inc.



STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 200110
Filing Date Aug. 8, 2001 Date de Dépôt
Page 1 of 10 Ten (10) Pages



DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Ontario

LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS

Filed by: CIBC Mortgages Inc.
Filing Number: 200110

Filing Date: Aug. 8, 2001

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in the schedule, if any.

1. DEFINITIONS

In this set of standard charge terms:

Act means the *Land Registration Reform Act, R.S.O. 1990, C.I.4* (as amended or replaced);
borrower, you and your mean each person who signs the mortgage as chargor(s);
interest adjustment date means the date specified in the registered document;
lender, we, our and us mean CIBC Mortgages Inc., as chargee;
loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;
mortgage or charge, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;
paragraph refers to a numbered paragraph in this set of standard charge terms;
principal amount means the amount set out in the registered document;
registered document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this mortgage, and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;
schedule means any schedule attached to the Charge/Mortgage of Land; and
your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

- (a) if you are the owner of your property, you charge your entire interest in your property to us; or
- (b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. COMPOUND INTEREST

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest, at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). This additional interest must be paid by you immediately when we require, both before and after the balance due date, default and judgment.

6. REPAYMENT OF LOAN AMOUNT

(a) Currency and Place

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) Interest Adjustment Date

- (i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or be deducted by us on the first regular mortgage payment date.
- (ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances, interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance.

(c) Regular Payments

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the registered document.

(d) Payment Provisions on Default

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and life insurance premiums (if applicable) on a monthly basis.

In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 17.

(e) Bank Account for Payments

You must maintain an account of a type satisfactory to us with a branch of Canadian Imperial Bank of Commerce and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and life insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph.

7. HOW WE APPLY YOUR PAYMENTS

Each of your regular payments will be used in the following order to pay: a) collection expenses, if any; b) life insurance premium, if any; c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of the mortgage, including tax accounts (the "escrow accounts"); d) to pay interest or reduce the interest (other than deferred interest) on the principal amount accumulated to but not including the payment date; and e) to reduce the principal amount. However, if you do not meet any of your obligations under the mortgage we may apply your payment or any other money we receive towards any part of the outstanding loan amount we choose. You may pay arrears of interest by separate payment as your regular payment will not be applied to such interest. The amount of interest in arrears may be obtained by contacting us.

8. YOUR PREPAYMENT RIGHTS (Applicable to All Mortgages)

- (a) if the term of the mortgage is greater than five years and you are not a corporation, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (b) if your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.
- (c) if you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights:

**8.1 STANDARD PREPAYMENT PRIVILEGES
IF YOU HAVE A FIXED RATE CLOSED MORTGAGE**

- (a) When not in default, you shall have the privilege of increasing the principal and interest payment as set out therein, in an amount not to exceed 15% thereof, once during any 12 month period following the interest adjustment date or anniversary thereof. This privilege is non-cumulative. It is understood that the principal and interest payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.
- (b) When not in default, you shall have the privilege of prepaying part of the principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 15% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.
- (c) the mortgage can only be paid out in full prior to the balance due date, upon completion of a bona fide arm's length sale of your property with supporting documentation upon payment of 3% of the outstanding principal balance.

9. EARLY RENEWAL

No early renewal option is available with this mortgage.

10. CERTAIN PROMISES YOU MAKE TO US

- (a) You certify and agree with us that:

- (i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;
- (ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property;
- (iii) you have the right to give us the mortgage;
- (iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied;
- (v) to the best of your knowledge and belief, after reasonable enquiry and investigation:
- no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
 - no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

- (vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured;
- (vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference;
- (viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.
- (b) If you are a tenant or lessee of your property, you also certify and agree with us that:
- (i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;
- (ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;
- (iii) you have the consent of your landlord or lessor, or you have the right without his consent, to charge your interest in the lease to us;
- (iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land titles office and except for building and zoning by-laws, with which you and your landlord have complied;
- (v) you will pay rents and other payments required by the lease as they fall due;

- (vi) you will comply with all your other obligations set out in the lease;
- (vii) you will not surrender the lease or cause it to be terminated;
- (viii) you will not make any change in the lease without first obtaining our written consent;
- (ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;
- (x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured;
- (xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;
- (xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 10(b)(xi) as you already have under other provisions of the mortgage and at law;
- (xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 23(a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in your property and for that person's legal and personal representatives and successors;
- (xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in your property as we may require to perfect any sale we may make under paragraph 23 and, in particular, under paragraph 23(a)(iv);
- (xv) we may remove you or any other person as trustee of the trust referred to in paragraph 10(b)(xiii); and appoint a new trustee or trustees.

11. DEMOLITION AND ALTERATIONS

- (a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.
- (b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

12. INSURANCE (Paragraph 12 does not apply if your property is a single residential condominium unit)

- (a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their full replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.
- (b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.
- (c) We may but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money which we pay for insurance will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.
- (d) If any loss or damage occurs, you will immediately, at your expense do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option in whole or in part be
 - (i) used to repair or rebuild your property
 - (ii) paid to you, and/or
 - (iii) used to reduce any part of the loan amount whether due or not, and including an amount to compensate us for loss of interest.

13. PROPERTY TAXES

- (a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.
- (b) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax installment calculated as below, based on the estimated annual taxes (as determined by us) that will be payable for the year following such regular mortgage payment date. The amount of each tax installment shall be:
- (i) if the payments of the principal and interest are weekly:
estimated annual taxes divided by 52
 - (ii) if the payments of the principal and interest are bi-weekly:
estimated annual taxes divided by 26
 - (iii) if the payments of the principal and interest are semi-monthly:
estimated annual taxes x 1/24
 - (iv) if the payments of the principal and interest are monthly:
estimated annual taxes x 1/12
- (c) If in our opinion, the tax component of your mortgage payment is insufficient to pay the current year's property taxes, we have the right to increase the tax component of your mortgage payment to in an amount sufficient to pay the current year's property taxes.
- (d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 13(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them. We do not have to hold any moneys which you send us under this paragraph 13 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may if we wish, apply any moneys which we have received under paragraph 13 to any portion of the loan amount.
- (e) Notwithstanding the provisions of this paragraph 13, we may at our option choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year. If, for any reason, you do not pay the taxes when required then paragraphs 13(a) through (d) will apply.

14. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the loan amount.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

15. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been registered and whether or not any part of the principal amount has previously been advanced. Even so, you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for preparing and registering the mortgage.

16. LEASES AND RENTS

- (a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option.
- (b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future; all rents payable under such leases and agreements; and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).
- (c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will:

- execute and deliver to us an assignment in registrable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for estoppel certificates from tenants and/or specific assignments of leases, and
- give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security.

- (d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 16, then at our option the loan amount will immediately become due and payable. In this case we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.
- (e) Nothing we do under this paragraph 16 will put us in possession of your property and we are not obliged to collect any rent or income from your property nor to comply with any term of any lease or agreement.
- (f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the Mortgages Act, R.S.O. 1990, C.M. 40 (as amended or replaced).

17. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will immediately become payable, at our option, if:

- (a) you do not make any payment required by the mortgage;
- (b) you do not comply with any of your other obligations under the mortgage;
- (c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 10) is untrue;
- (d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;
- (e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or
- (f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

18. BUILDING MORTGAGE

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 15, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act*, R.S.O. 1990, C.c.30 (as amended or replaced) have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property

19. MORTGAGES WITH HOLDBACKS

The amount of any holdback will be treated as a mortgage security deposit. You will earn interest on this holdback amount at the 30 day deposit rate of CIBC Mortgages Inc.

The holdback must be advanced within 120 days from the initial date of funding. If this is not done, the mortgage will be reduced by the amount of the holdback and the monthly payment will be adjusted accordingly. Interest will not be paid to you if the holdback is not advanced. You agree to sign an amending agreement which is to be registered on title.

20. RELEASING YOUR LAND FROM THE MORTGAGE

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations and those of any guarantor, under the mortgage will continue unchanged.

If your property is subdivided, each part of your property will secure payment of the loan amount.

21. **RENEWING OR AMENDING THE MORTGAGE**
(This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

22. **CERTAIN ACTIONS WE CAN TAKE**

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses. If you are a tenant or lessee, under a lease, of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses which we incur in so doing.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date will be paid by you or added to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

23. **ENFORCING OUR RIGHTS**

- (a) **Remedies** - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

- (i) **Sue you** - We may take such action as is necessary to collect the loan amount.
- (ii) **Foreclosure or Sale** - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.
- (iii) **Lease Your Property** - If your default continues for 15 days, we may, on 15 days notice to you, enter on and lease your property; if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (iv) **Power of Sale** - If your default continues for 15 days we may, on at least 35 days written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (v) **Enter on Your Property** - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.
- (vi) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the loan amount whether it is due or not.
- (vii) **Cure Any Defaults** - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

- (b) **Non-interference** - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.
- (c) **Our expenses** - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of Canadian Imperial Bank of Commerce.
- (d) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.
- (e) **Judgments** - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

24. CONDOMINIUM
(If your property is a condominium unit, you must also comply with paragraph 24 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 12.)

The corporation created by the registration of a declaration under the *Condominium Act, R.S.O. 1990, C.c. 26 (as amended or replaced)* is called the "condominium corporation".

- (a) **Compliance with the Condominium Act, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.
- (b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and you will be in default under the mortgage.
- (c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.
- (d) **Voting Rights** -
 - (i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.
 - (ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.
- (e) **Acceleration of Repayment of Loan Amount** - At our option, the loan amount will become payable immediately if
 - (i) government of the property of the condominium corporation under the *Condominium Act* is terminated,
 - (ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements
 - (iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations
 - (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;
 - (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair or
 - (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds

(f) **Insurance** - Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. The insurance company or companies must be approved by us. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy.

(g) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

25. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will, at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

- (i) we give our written approval to you to transfer your property;
- (ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and
- (ii) you provide us proof of registration of a Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

26. ASSUMPTION

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

27. INSPECTION

If we, or our respective agents, have reason to believe that your property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, or our respective agents, will not become a mortgagee in possession, management or control by exercising these rights.

28. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

29. GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may at any time and from time to time without the consent of or notice to any guarantor give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

30. RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

31. DISCHARGE

After you have paid us the loan amount, we will sign a discharge or, if requested by you, an assignment of the mortgage and send it to you within a reasonable time. You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on your title and to pay the registration fee. If electronic registration is available for your mortgage, we will register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

32. ADMINISTRATION FEES

You agree to pay us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, amending or other agreement, statements for information purposes, and any fees referred to in paragraph 6(e). You shall pay a fee for every dishonoured cheque or PAC debit charge. Unless separate payment for the fee is received with the replacement cheque, the fee will be automatically debited to the mortgage account balance and will thereafter be charged interest at the same rate as the mortgage until paid. At the date of this mortgage the fee is \$25.00 but the amount is subject to change without notice by CIBC Mortgages Inc. at any time during the term of the mortgage.

The amount of such fees in effect at any particular time is available from any branch, in Canada, of Canadian Imperial Bank of Commerce, or by contacting us.

CIBC Mortgages Inc. also reserves the right to charge reasonable fees for other administrative services such as discharges, assumptions, transfers, payment frequency changes, etc. and you agree to pay such charges.

33. PORTABILITY

This mortgage is not portable.

34. FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O. 1990, C.f.3 (as amended or replaced).

35. DOCTRINE OF CONSOLIDATION

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

36. DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document.

37. ONTARIO NEW HOME WARRANTIES PLAN ACT

If the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, C.o.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

38. WHO IS BOUND

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

39. PARTIAL INVALIDITY

If any provision of the mortgage is found to be illegal or unenforceable the validity or enforceability of all other provisions will not be affected.

40. PARAGRAPH HEADINGS

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

Dated at Toronto, this 2nd day of August, 2001



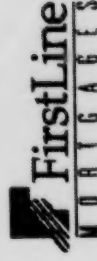
Christie A. McNeill
Solicitor for CIBC Mortgages Inc.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 200111 Code

Filing Date Sept. 11, 2001 Date de Dépôt

Page 1 of 16 Thirteen (13) Pages



DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS

Filed by: CIBC Mortgages Inc.

Filing Number: 200111

Filing Date: September 11, 2001

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in a schedule, if any.

1. DEFINITIONS

In this set of standard charge terms:

Act means the *Land Registration Reform Act, R.S.O. 1990, c.14*, (as amended or replaced);

borrower, you and your mean each person who signs the mortgage as chargor(s);

CMHC means Canada Mortgage and Housing Corporation;

GEMI means GE Capital Mortgage Insurance Company (Canada);

Interest adjustment date means the date specified in the registered document;

lender, we, our and us mean CIBC Mortgages Inc., as chargor;

loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;

mortgage, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;

paragraph refers to a numbered paragraph in this set of standard charge terms;

principal amount means the amount set out in the registered document;

registered document means for the non-electronic paper based registration system, the Form 2 Charge/Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;

schedule means any schedule attached to the Charge/Mortgage of Land; and

your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it.

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in Section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

- (a) if you are the owner of your property, you charge your entire interest in your property to us; or
- (b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage.

Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date in the registered document, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. VARIABLE INTEREST RATE (Applicable only to Adjustable Rate Mortgage)

(a) Interest Rate

At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated semi-annually not in advance and is payable on the loan amount both before and after the balance due date, default and judgment, until the loan amount has been paid in full.

- (i) If you have an Adjustable Rate Mortgage – Prime Minus, the interest rate payable by you specified in the registered document is a floating rate which is adjusted on the first day of each month. The first interest rate adjustment will not occur until three months from the interest adjustment date. The interest rate payable for each month shall be the rate per annum equal to the prime rate of Canadian Imperial Bank of Commerce in effect on the first day of such month (the "mortgage prime rate") less .375%.

- (i) If you have an Adjustable Rate Mortgage - Designer, the interest rate payable by you specified in the registered document is a floating rate which is adjusted when the prime rate of Canadian Imperial Bank of Commerce (the "mortgage prime rate") changes from time to time. The interest rate payable for each month of the term shall be the rate per annum equal to the mortgage prime rate in effect from time to time less 0.500% for the first six (6) months from the interest adjustment date and the mortgage prime rate in effect from time to time less .400% for the remainder of the term. The principal and interest payment will be recalculated every time the mortgage prime rate changes based on the current mortgage rate and the then remaining amortization period on the mortgage.

(b) **How You May Determine the Interest Rate.**

The mortgage prime rate, the current mortgage rate payable and principal and interest payment on the loan amount remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the mortgage prime rate, we may mail to you, at your last known address according to our records, a notice of the changed mortgage prime rate, its effective date, the current mortgage rate and the changed principal and interest payment, if applicable, calculated semi-annually not in advance. The interest rate and payment amount will still vary under paragraph 5(a) even if we fail to send you such a notice or you fail to receive it. The mortgage prime rate in effect at any time is available at any branch in Canada of Canadian Imperial Bank of Commerce.

(c) **Deferred Interest**

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. You may pay deferred interest by separate payment as your regular payment will not be applied to such interest. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

6. COMPOUND INTEREST

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest, at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). You must pay this additional interest immediately when we require, both before and after the balance due date, default and judgment.

7. REPAYMENT OF LOAN AMOUNT

(a) **Currency and Place**

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) **Interest adjustment date**

- (i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or be deducted by us on the first regular mortgage payment date. If you have an Adjustable Rate Mortgage, interest will be calculated at the lesser of the rate specified in the registered document in effect on the date of advance or the initial rate set seven days prior to the date of advance.

- (ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances, interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance.

(c) **Regular Payments**

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document, starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount on the balance due date as set out in the registered document.

(d) **Payment Provisions on Default**

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and insurance premiums (if applicable) on a monthly basis.

In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 22.

(e) **Bank Account for Payments**

You must maintain an account of a type satisfactory to us with a Canadian financial institution and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and insurance premiums (if applicable) when due. You must make sure that the account always contains

sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

(f) **Principal Balance never to exceed 105% of Original Loan Amount**
(Applicable only to Adjustable Rate Mortgage - Prime Minus).

In the event that the total of the outstanding principal balance of the mortgage plus all regular and variable accrued interest thereon equals or exceeds 105% of the original balance, you shall be required to:

- (i) increase the amount of your regular mortgage principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage;
- (ii) make a lump sum payment on account of principal plus regular and variable accrued interest in order that the resulting balance not exceed 100% of the original principal balance during the remainder of the current term; or
- (iii) convert the mortgage to one having a fixed rate of interest, equal monthly payments and for any term then being offered by us for *National Housing Act*, R.S.C. 1985, C.n.11 (as amended or replaced) insured loans. There will be no charge for converting to the longer term. The rate will be the current posted rates for the appropriate term. The rate change will be effective on the first of the month following notification, in writing, of the requested modification.

8. **HOW WE APPLY YOUR PAYMENTS**

Each of your regular payments will be used in the following order to pay: a) collection expenses, if any; b) insurance premium, if any; c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts debited in respect of the mortgage, including tax accounts (the "escrow accounts"); d) to pay interest or reduce the interest (including any deferred interest outstanding) on the principal amount accumulated to but not including the payment date; e) to satisfy the tax portion of the mortgage payment (if applicable); and f) to reduce the principal amount. However, if you do not meet any of your obligations under the mortgage, we may apply your payment or any other money we receive towards any part of the outstanding loan amount we choose. You may pay arrears of interest by separate payment as your regular payment will not be applied to such interest. The amount of interest in arrears may be obtained by contacting us.

9. **YOUR PREPAYMENT RIGHTS (Applicable to all Mortgages)**

- (a) If the term of the mortgage is greater than five years and you are not a corporation, or if this is a CMHC or GEMI insured mortgage which covers a rental housing project as defined in the *National Housing Act*, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (b) If you have a CMHC or GEMI insured fixed rate closed mortgage which does not cover a rental housing project as defined in the *National Housing Act* and the term of the mortgage is greater than five years, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and in such case you agree to pay us, in addition to the principal and interest to the date of payment, three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (c) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.
- (d) If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights, depending on the type of mortgage you selected.

9.1 **CONVERTIBLE MORTGAGES**

(A) **If you have an Adjustable Rate Mortgage:**

(i) **PREPAYMENTS:**

When not in default, you shall have the privilege of paying additional amounts of principal, without notice or bonus, on any payment date. Such additional payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

Any amount of prepayment made in excess of the above 20%, will be subject to an administration fee equal to the equivalent of two months' interest on the amount being prepaid calculated using the then current mortgage rate as provided herein or any renewal or amending agreement applicable thereto during the first three years. The mortgage is fully open to prepayment in years 4 and 5 with no administration fee.

(ii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the amount of your regular principal and interest payment to any amount provided that the amortization period of your mortgage is not reduced to less than five years. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period less the time that has elapsed since you took out the mortgage. You may increase or decrease the amount of the monthly principal and interest payment as set out above, once during any 12-month period following the interest adjustment date or anniversary thereof.

If you have an Auto 6 Plus, an Auto 12 Plus, a Convertible 6, or a Convertible 12 Mortgage:

(i) **SALE CLAUSE:**

The mortgage may be paid out in full at any time, upon a bona fide arm's length sale of your property with supporting documentation, upon payment of an administration fee equal to 1% of the amount of the outstanding principal balance plus any interest or other amounts owing up to the date of discharge.

(ii) **PARTIAL PREPAYMENT:**

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage if you have an Auto 12 Plus or Convertible 12 Mortgage or 10% if you have an Auto 6 Plus or Convertible 6 Mortgage, during either the original term or during any renewal term of this mortgage.

This privilege is non-cumulative and is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, except for Auto 6 Plus and Convertible 6 Mortgage, where the amount cannot exceed 15%, once during any 12 month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12-month period following the interest adjustment date or anniversary thereof provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iv) **FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY OTHER THAN ON A SALE:**

This mortgage is closed during its original term and during each renewal term. The only prepayment of principal which will be accepted during that period are those as outlined above.

9.11 **FIXED RATE MORTGAGES**

(A) **If you have a fixed rate term mortgage with a term of 2-years or longer (except a Basic Mortgage):**

(i) **PARTIAL PREPAYMENT:**

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(ii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, once during any 12-month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment provided once during any 12-month period following the interest adjustment date or anniversary thereof that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iii) **FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:**

Subject to paragraphs 9 (a) and 9 (b) above, you may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an administration fee equal to the greater of

- Three months' interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option, on the principal amount in lieu of notice; or
- The amount, if any, by which interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option exceeds interest at the current reinvestment interest rate, calculated on the principal amount prepaid by you, for the remaining term of the mortgage or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the mortgage.

(B) **If you have a Basic Mortgage:**

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(i) CLOSED MORTGAGE:

The mortgage is closed for the first three years following each of the original interest adjustment date or the interest adjustment date of any renewal hereof. The only prepayments of principal which will be accepted during that period are as outlined below in clause (iii) - Full Payment and Discharge Prior to Maturity and clause (ii) - Partial Prepayment.

(ii) PARTIAL PREPAYMENT:

When not in default, you shall have the privilege of prepaying up to 10% of the original principal amount of your mortgage, once per year on the anniversary of the interest adjustment date together with an administration fee. The administration fee is calculated as the equivalent of 3 months' interest on the amount of the prepayment calculated using the interest rate as set out in the registered document or any renewal or amending agreement applicable thereto.

This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:

The mortgage may be paid out in full and a discharge granted only after the later of the third anniversary of the original interest adjustment date or the third anniversary of any renewal hereof upon payment of the outstanding principal balance plus interest and any other amounts owing together with an administration fee. The administration fee is calculated as the equivalent of three month's interest on the outstanding principal balance calculated using the interest rate applicable as per the registered document or any renewal agreement thereto.

10. INCREASE AND BLEND (Not applicable to Auto 6 Plus, Convertible 6, and Variable Rate Mortgages)

Provided that our mortgage approval criteria, including those as to the borrower and the mortgage terms are met, you have the privilege of increasing the principal amount secured and/or extending the term of the mortgage at a rate of interest blended to reflect the existing mortgage rate, the prevailing rates, prepayment privilege fees and administration fees, if any.

11. EARLY RENEWAL (Applicable to Fixed Rate Mortgages)

In the event that the mortgage is amended to extend the term hereof, the date of the mortgage for the purpose of the application of *Section 10 of the Interest Act (Canada)* or any similar Federal or Provincial legislation permitting prepayment, shall be conclusively deemed to be the first day of the last extension of time for payment and the mortgage as amended shall not, at any time or times, be subject to prepayment, in whole or in part, save as may be herein provided.

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes or if you have a 5 year term uninsured mortgage, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out the registered document. You must apply in writing to use this right of early renewal. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

12. AUTOMATIC RENEWAL OF MORTGAGE

I If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage: When not in default and further provided that you have maintained a satisfactory payment record, the mortgage shall automatically renew at the end of its original 6 or 12-month term and at the end of each subsequent 6 or 12-month renewal term into a new 6 or 12-month term, depending on the length of the original term.

The rate charged during each renewal term would be the lower of our posted rate on the renewal date for this type of mortgage or the guaranteed renewal rate.

We will mail a notice of the Guaranteed Renewal Rate to you 30 days prior to the end of the original term and of each renewal term of the mortgage. You may, at your sole option, terminate this automatic renewal clause and pay out the mortgage in full at the end of any term by notifying us of your decision to do so at least 15 days prior to the end of that term.

II If you have a mortgage with original term greater than 12 months: You agree to either pay the monies owing under the mortgage on the maturity date set out in the registered document or, if a renewal agreement has been provided, return the executed renewal agreement on or before the maturity date, failing which both you and we agree that the mortgage shall be deemed to be renewed as an Auto 6 Plus Mortgage/Convertible 6 Mortgage on the terms and conditions set out in the renewal agreement.

13. MORTGAGES WITH DEPOSITS

If required pursuant to the terms of your mortgage loan, you shall deposit funds as a mortgage security deposit. You authorize us to deduct the deposit from the principal amount advanced. You will earn interest on this deposit amount at the 30-day deposit rate of the Canadian Imperial Bank of Commerce. The deposit must be advanced within 120 days from the date of funding. If this is not done, you authorize us to apply the deposit on account of the mortgage principal and the monthly payment will be adjusted to reflect the lower principal balance. Interest will not be paid if the deposit is not released to you. You agree to sign an amending agreement which is to be registered on title to your property.

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14. **CONVERSION OPTION (Applicable only to Adjustable Rate Mortgage . . Auto 6 Plus, Auto 12 Plus, Convertible 6, and Convertible 12 Mortgages)**

I. If you have an Adjustable Rate Mortgage:

Providing your property is owner occupied, the mortgage can be converted to one having a fixed rate of interest, equal monthly payments and for any term of three years or longer then being offered by us for *National Housing Act* insured loans. If your property is a rental property, a maximum conversion term of 5 years will be available. There will be no charge for converting.

II. If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage:

The mortgage, at your option, may be converted, by amendment thereof, without charge, to a term in excess of 1-year then being offered by us. The rate applicable to the mortgage as amended will be our then posted rate for the term selected.

To exercise the conversion privilege in either I or II above, written notice signed by you must be delivered to our Mortgage Servicing Division. The interest rate will be the current posted rate for the term selected. The new payments at the new interest rate will commence on the next scheduled payment date or the immediately following payment date as determined by us. Upon conversion, the provisions of paragraph 9.I will no longer apply to the mortgage as amended. An executed Amending/Modification Agreement may be requested, by us, but the written notice to us will be binding upon you and we shall be entitled to rely on it.

15. **CERTAIN PROMISES YOU MAKE TO US**

(a) You certify and agree with us that:

- (i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage;
- (ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property;
- (iii) you have the right to give us the mortgage;
- (iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied;
- (v) to the best of your knowledge and belief, after reasonable enquiry and investigation:
 - no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
 - no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

- (vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured;

- (vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference;

- (viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

(b) If you are a tenant or lessee of your property, you also certify and agree with us that:

- (i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;
- (ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;
- (iii) you have the consent of your landlord or lessor, or you have the right without his consent, to charge your interest in the lease to us;
- (iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land titles office and except for building and zoning by-laws, with which you and your landlord have complied;
- (v) you will pay rents and other payments required by the lease as they fall due;
- (vi) you will comply with all your other obligations set out in the lease;
- (vii) you will not surrender the lease or cause it to be terminated;
- (viii) you will not make any change in the lease without first obtaining our written consent;
- (ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;
- (x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured.

- (xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;
- (xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 15(b)(xii), as you already have under other provisions of the mortgage and at law;
- (xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 27 (a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors;
- (xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 27 and, in particular, under paragraph 27(a)(iv);
- (xv) we may remove you or any other person as trustee of the trust referred to in this paragraph 15(b)(xiii) and appoint a new trustee or trustees.

16. DEMOLITION AND ALTERATIONS

- (a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.
- (b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

17. INSURANCE (Paragraph 17 does not apply if your property is a single residential condominium unit)

- (a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their guaranteed replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.
- (b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.
- (c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money, which we pay for insurance, will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.
- (d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:
 - (i) used to repair or rebuild your property;
 - (ii) paid to you; and/or
 - (iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

18. PROPERTY TAXES

- (a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.
- (b) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.
- (c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax instalment, based on the estimated annual taxes and anticipated future payments of taxes (as determined by us) that will be payable for the year following such regular mortgage payment date.

(d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 18(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them, failing which you will repay to us the cost of obtaining such documentation and, if not paid, we will add such cost to the loan amount. We do not have to hold any moneys which you send us under this paragraph 18 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may, if we wish, apply any moneys which we have received under paragraph 18 to any portion of the loan amount.

(e) Notwithstanding the provisions of this paragraph 18 we may, at our option, choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year, failing which you will repay to us the cost of obtaining such receipts and, if not paid, we will be add such cost to the loan amount. If, for any reason, you do not pay the taxes when required, then paragraphs 18 (a) through (d) will apply.

19. REPAIRS

You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property.

You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property.

If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph 19, then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid, will be added to the loan amount.

You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights.

20. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been signed and registered and whether or not any part of the principal amount has previously been advanced. Even so, by signing the mortgage you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for preparing and registering the mortgage.

21. LEASES AND RENTS

(a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option. You agree to keep us informed of the status of occupancy.

(b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future, all rents payable under such leases and agreements, and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).

(c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will:

- execute and deliver to us an assignment in registrable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for estoppel certificates from tenants and/or specific assignments of leases; and
- give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security

(d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 21, then at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement

(e) Nothing we do under this paragraph 21 will put us in possession of your property and we are not obliged to collect any rent or income from your property or to comply with any term of any lease or agreement

(f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990 c.m.40 (as amended or replaced)

22. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will immediately become payable, at our option, if

(a) you do not make any payment required by the mortgage.

- (b) you do not comply with any of your other obligations under the mortgage;
- (c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 15) is untrue;
- (d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;
- (e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or
- (f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

23 BUILDING MORTGAGE

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 20, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act*, R.S.O. 1990, C.c.30 (as amended or replaced) have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

BEI EASING YOUR LAND FROM THE MORTGAGE

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan under the mortgage in only a part of your property, the remainder of your property will continue unchanged.

if your property is subdivided each part of your property will secure payment of the loan amount.

RENEWING OR AMENDING THE MORTGAGE

RENEWING OR AMENDING THE MORTGAGE
 It is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

CERTAIN ACTIONS WE CAN TAKE

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you are a tenant or lessee, under a lease of your property, we can cure any defaults existing under your lease and payments and expenses.

If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately take the steps which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date will be paid by us as an additional payment to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

27 ENFORCING OUR RIGHTS

- (a) **Remedies** - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

- (i) **Sue you** - We may take such action as is necessary to collect the loan amount.
- (ii) **Foreclosure or Sale** - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

- (iii) **Lease Your Property** - If your default continues for 15 days, we may, on 15 days' notice to you, enter on and lease your property, if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (iv) **Power of Sale** - If your default continues for 15 days' we may, on at least 35 days' written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (v) **Enter on Your Property** - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.
- (vi) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable for any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the loan amount whether it is due or not.
- (vii) **Cure Any Defaults** - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.
- (b) **Non-interference** - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.
- (c) **Our expenses** - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of Canadian Imperial Bank of Commerce.
- (d) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.
- (e) **Judgments** - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

28

CONDOMINIUM

(If your property is a condominium unit, you must also comply with paragraph 28 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 17.)

The corporation created by the registration of a declaration under the *Condominium Act*, R.S.O. 1990, C.c.26 (as amended or replaced) is called the "condominium corporation"

- (a) **Compliance with the Condominium Act, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.
- (b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and you will be in default under the mortgage.
- (c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.
- (d) **Voting Rights** -
 - (i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.

- (ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

(e) **Acceleration of Repayment of Loan Amount** - At our option, the loan amount will become payable immediately if:

- (i) government of the property of the condominium corporation under the *Condominium Act* is terminated;
- (ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;
- (iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations;
- (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;
- (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or
- (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** - Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. We must approve the insurance company or companies. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

29. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

- (i) we give our written approval to you to transfer your property;
- (ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and
- (iii) you provide us with a copy of the registered Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

30. ASSUMPTION

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

31. INSPECTION

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents have reason to believe that your property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

32. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

33.

GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage.

We may, at any time and from time to time, without the consent of or notice to any guarantor, give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrowers without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

34.

RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

35.

DISCHARGE OF MORTGAGE

Upon maturity or early full payment of this mortgage, a discharge or assignment, if requested by you, will only be delivered upon full payment being received by us in accordance with our latest issued and current discharge statement. For purposes of calculating per diem interest on a discharge, funds received after 3:00 p.m. on any business day shall be deemed to have been received on the next following business day. We further reserve the right to refuse a discharge or transfer of this mortgage until any charges or returned cheque amounts arising after the discharge statement is issued are also fully paid to us.

You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on title and to pay the registration fee. If electronic registration is available for your mortgage, we may register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

36.

FEES

You agree to pay us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, discharges, amending or other agreement, statements for information purposes, payment frequency changes, any fees referred to in paragraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the loan amount, which unpaid fees will be charged interest at the interest rate required by the mortgage.

The amount of such fees in effect at any particular time is available by contacting us.

37.

PORTABILITY

If you have complied with all your obligations under the mortgage, upon written application by you, upon the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 90 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that:

- (a) on the date of completion of the sale of the property, an amount sufficient to pay the outstanding principal amount of the new mortgage together with interest accrued thereon to date and any administration fees according to the prepayment provisions described in paragraph 9 above that apply to the mortgage will be held by our solicitor in trust to be released upon registration of the new mortgage within the 90-day period;
- (b) If the new mortgage is not registered within 90 days of such sale, the amount referred to in (a) above, will be applied to prepay the mortgage in full and to pay any administration fees required in respect of this prepayment;
- (c) You will continue to make regular mortgage payments as referred to in paragraph 7;
- (d) The mortgage must be transferred to the new property with no changes in outstanding balance, interest rate, terms or any other conditions applicable herein; and
- (e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees, CMHC or GEMI insurance premiums, and other expenses incurred in connection with the new mortgage.

38.

FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made herein and in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O. 1990, c.f.3 (as amended or replaced)

39. **DOCTRINE OF CONSOLIDATION**

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

40. **DATE OF MORTGAGE**

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document regardless of the date of signature that appears in the registered document.

41. **ONTARIO NEW HOME WARRANTIES PLAN ACT**

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, C.o.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

42. **WHO IS BOUND**

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

43. **PARTIAL INVALIDITY**

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

44. **PARAGRAPH HEADINGS**

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

45. **NATIONAL HOUSING ACT**

All CMHC insured mortgages are made in pursuance of the *National Housing Act*.

46. **MAKING MATERIAL CHANGES**

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or renewals or extensions of the term of the mortgage will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

Dated at Toronto, this 29th day of August, 2001.

Christie A. McNeill

Christie A. McNeill

Solicitor for CIBC Mortgages Inc.



Banque Scotia™

Hypothèque subsidiaire résidentielle

LOI PORTANT SUR LA RÉFORME DE L'ENREGISTREMENT IMMOBILIER CLAUSES STANDARD DE LA CHARGE NO

Déposé par : La Banque de Nouvelle-Écosse
Filed by: The Bank of Nova Scotia

Les clauses standard de charge contenues dans ce document sont réputées être intégrées, comme si elles y étaient réécrites, dans chaque charge y faisant référence par l'indication de la cote d'enregistrement, conformément à l'article 9 de la Loi.
The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing numbers, as provided in section 9 of the Act.

Ce document contient la version française des clauses standard déposées sous la cote d'enregistrement No.9816 et constitue une référence à la version originale de langue anglaise laquelle prévaut en tout temps et en toutes circonstances et nous ne garantissons pas l'exactitude de la traduction.
This set is the French version of the standard charge terms filed under number 9816. This is a reference to the English set only, and not a warranty of the accuracy of the translation.

1. Définitions

Le terme **hypothèque** désigne l'Acte d'hypothèque, toutes les annexes qui s'y rattachent et les présentes clauses standard; les termes **vous** et **voire/vos** désignent chacun des signataires de l'hypothèque à titre de constituant ou toute autre personne qui y est obligée; les termes **nous** et **notre/nos** désignent La Banque de Nouvelle-Écosse à titre de titulaire ainsi que ses successeurs et ayants droit; le terme **bien-fonds** désigne le bien-fonds décrit dans la section **Description de l'Acte d'hypothèque** ou dans toute annexe qui y est jointe ainsi que tout autre bien décrit sous la rubrique **Description du bien-fonds hypothéqué**; le terme **obligations garanties** désigne toutes les dettes et obligations décrites sous la rubrique **Obligations garanties**. Le terme **convention** désigne les contrats, conventions, billets à ordre, lettres de change, avis et autres documents qui régissent les obligations garanties ou qui leur sont accessoires, de même que tout renouvellement, remplacement ou toute substitution de ceux-ci. La présente hypothèque est constituée conformément à la **Loi sur les hypothèques**. S'il s'agit d'un prêt hypothécaire assuré par la SCHL, lequel respecte les dispositions de la **Loi nationale sur l'habitation**.

2. Description du bien-fonds hypothéqué

Font l'objet de la présente hypothèque tous les immeubles actuels ou futurs se trouvant sur le bien-fonds de même que tous les biens attachés ou fixés au bien-fonds, y compris les agrandissements, rénovations et améliorations apportés aux immeubles.

3. Obligations garanties

Les dettes et obligations garanties par l'hypothèque sont l'ensemble des dettes et des obligations présentes ou futures, de résultat ou conditionnelles, échues ou non dont vous êtes ou pourriez être redevable dans l'avenir envers nous, et de toute somme que vous nous devez ou pourriez nous devoir, résultant soit de transactions entre vous et nous, soit de toute autre transaction ou de tout autre acte par lequel nous détenons ou pourrions détenir une créance contre vous, que la transaction ait été contractée ou que l'acte ait été établi par vous, seul ou conjointement et à titre de partie principale ou de caution.

Vous acceptez de payer, conformément aux conventions et à l'hypothèque, tous les montants, y compris, sans restriction, tous les frais et les autres montants que vous nous devez en vertu de l'hypothèque et de toute convention, de même que tous les intérêts courus des obligations garanties, y compris les intérêts composés. Ces montants sont garantis par la présente hypothèque et font partie des obligations garanties.

Le Trust National peut conclure avec vous des conventions de prêt, telles que convention de prêt à terme, ligne de crédit ou protection contre les découverts. Le Trust National conclut avec vous ces conventions de prêt à titre de mandataire de La Banque de Nouvelle-Écosse. Ces conventions de prêt sont des conventions aux termes des présentes et toutes vos dettes et obligations, présentes ou futures, de résultat ou conditionnelles, échues ou non, en tout temps exigibles par nous ou demeurant impayées aux termes de ces conventions de prêt font partie des obligations garanties.

4. Effets de l'hypothèque

Par la signature de l'hypothèque, vous nous cédez intégralement vos droits dans les bien-fonds, ainsi qu'à toute personne à qui sera faite cession de l'hypothèque, afin de garantir le remboursement sur demande des obligations garanties jusqu'à concurrence du montant en capital indiqué dans la section 4 de l'Acte d'hypothèque. La phrase qui précède ne s'applique pas au dernier jour d'un bail. L'hypothèque est consentie pour garantir un compte courant. Le remboursement intégral ou partiel des obligations garanties n'entraînera pas la mainlevée de l'hypothèque, laquelle continuera de produire ses effets à l'égard du remboursement des obligations garanties, nonobstant toute modification apportée à la somme, à la nature ou à la forme des obligations garanties, ou tout renouvellement ou toute prorogation, modification ou substitution des conventions.

Il y aura extinction des droits qui nous sont octroyés à l'égard du bien-fonds en vertu de l'hypothèque lorsque :

- vous aurez remboursé les sommes relatives aux obligations garanties, ainsi que toutes les sommes auxqueltes nous pourrions avoir droit en vertu de la présente hypothèque; et
- vous serez acquitté de toutes les obligations contractées aux termes des conventions et de la présente hypothèque; et
- une mainlevée de l'hypothèque, dûment signée, vous aura été délivrée.

Vous pouvez demeurer en possession du bien-fonds à condition de ne pas déroger aux modalités des conventions et pourvu que vous vous conformiez à toutes les autres obligations contractées aux termes de l'hypothèque.

5. Aucune obligation d'avancer des fonds

Nous n'avons aucune obligation de vous avancer des fonds, même si l'hypothèque a été rédigée, signée et enregistrée, et que des sommes vous ont déjà été avancées. Toutefois, par la signature de l'hypothèque, vous nous cédez intégralement vos droits dans le bien-fonds. Vous nous rembourserez sur demande tous les frais engagés pour la vérification du titre de propriété du bien-fonds, pour la rédaction de l'hypothèque et pour l'enregistrement de l'hypothèque.

6. Droits de propriété

À compter de la passation de l'hypothèque et pour chacune des avances relatives aux obligations garanties, vous attestez à titre de propriétaire du bien-fonds :

- que vous êtes le propriétaire légitime du bien-fonds;
- qu'il n'y a pas de charges grevant le bien-fonds autres que ceux qui apparaissent sur le titre de propriété enregistré; et
- qu'il n'existe aucune limitation ou restriction grevant voire titre de propriété à l'exception de règlements de construction ou de zonage et de restrictions enregistrées, auxquels vous vous êtes conformé.

Si vous êtes locataire du bien-fonds, à compter de la passation de l'hypothèque et pour chacune des avances relatives aux obligations garanties, vous attestez :

- que vous et votre représentant personnel êtes locataires du bien-fonds aux termes d'un bail dont vous nous avez remis copie;
- que le bail a force obligatoire et que toute l'information que vous nous avez fournie à son égard est exacte;
- que tous les loyers et autres montants exigibles en vertu du bail ont été acquittés au jour de la signature de l'hypothèque;
- que vous avez l'autorisation ou le droit de céder, d'hypothéquer ou de grever le bail; et
- que, sauf dispositions contraires dans le bail, il n'existe aucune limitation ou restriction ou charge grevant vos intérêts en vertu du bail à l'exception de règlements de construction ou de zonage et de restrictions enregistrées, auxquels vous vous êtes conformé.

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 200112 Cota

Vous vous engagez à vous abstenir de poser tout geste pouvant porter atteinte aux droits qui nous ont été octroyés dans le bien-fonds et convenez de signer tout autre document que nous jugerons nécessaire pour la cession en notre faveur de vos intérêts à l'égard du bien-fonds.

Vous acceptez de ne pas grever le bien-fonds d'autres hypothèques ou charges sans avoir obtenu au préalable notre consentement écrit.

7. Vos obligations

i) **Remboursement** - Vous convenez de rembourser sur demande les sommes relatives aux obligations garanties et de respecter toute autre obligation en vertu de l'hypothèque et des conventions.

ii) **Assurance** - Vous devez souscrire sans délai, en notre faveur une assurance et la maintenir en vigueur jusqu'à la mainlevée de l'hypothèque, pour tous les bâtiments et leurs améliorations faisant l'objet de la présente hypothèque (y compris ceux qui seront construits après la signature de l'hypothèque, tant pendant leur construction qu'après) (les "bâtiments") contre les risques de perte ou de dommages causés par l'incendie et les autres risques normalement couverts par les polices d'assurance incendie, de même que contre tout autre risque dont nous exigerons la couverture. L'assurance doit être souscrite auprès d'une compagnie d'assurance ayant reçu notre approbation pour un montant en dollars canadiens équivalent au prix de remplacement des bâtiments (le montant maximal pour lequel les bâtiments peuvent être assurés). La police doit être rédigée d'une manière que nous jugeons satisfaisante, couvrir les risques supplémentaires et comprendre la clause standard canadienne relative aux garanties hypothécaires établissant, à notre satisfaction, que tout produit d'assurance doit nous être versé. Vous devez nous remettre, à notre demande, toute police d'assurance et toute attestation d'assurance que vous détenez à l'égard des bâtiments, de même que tout produit d'assurance reçu en vertu de ladite police. La coassurance est interdite.

À défaut de votre part de :

- maintenir une assurance pour les bâtiments qui, selon nous, satisfait aux exigences sous la présente rubrique;
- nous remettre, à notre demande, toute police d'assurance ou toute attestation d'assurance; ou
- nous fournir, à notre demande, une preuve du renouvellement ou du remplacement de la police d'assurance, au moins 15 jours francs avant l'échéance ou la résiliation de la police.

nous pouvons, sans y être obligés, souscrire une assurance pour n'importe lequel des bâtiments. Le montant de la prime versée pour souscrire une assurance aux termes du présent paragraphe s'ajoutera à celui des obligations garanties et portera un intérêt au taux prévu aux conventions. Le montant de la prime versée doit nous être remboursé immédiatement. Au surplus, si la police d'assurance que vous avez souscrite ne nous satisfait pas raisonnablement, nous pouvons exiger que vous la remplaciez par une autre police que nous jugerons satisfaisante. En cas de perte ou de dommages, vous devez nous fournir immédiatement et à vos frais toute preuve de sinistre nécessaire, et vous vous engagez à faire tout le nécessaire afin que nous puissions recevoir le produit de l'assurance. La simple présentation d'une copie de l'hypothèque est suffisante pour qu'une compagnie d'assurance nous verse le produit de l'assurance lié à toute perte, ou encore pour qu'elle accepte de recevoir nos instructions à l'égard de la perte subie. Si le bien-fonds comprend une unité en copropriété (condominium) vous devez veiller à ce que l'association de copropriété respecte entièrement ses devoirs et obligations en vertu de la Loi sur les condominiums, de la déclaration de condominium et des règlements de l'association de copropriété.

Dans les limites de ce que la loi autorise et selon notre choix, le produit de l'assurance peut servir, en tout ou en partie, à la reconstruction ou à la réparation des bâtiments endommagés, vous être versé ou à toute autre personne qui possède ou a possédé le bien-fonds (tel qu'il apparaît sur le titre de propriété enregistré) ou être appliqué, à notre seule discrétion, à la réduction de toute portion des obligations garanties, qu'elle soit échue ou non.

(iii) **Impôt** - Vous vous engagez à payer à l'échéance l'impôt foncier auquel est assujéti le bien-fonds. Si nous l'exigeons, vous devrez effectuer, en plus des versements mensuels sur prêt, des versements mensuels à titre d'impôt foncier. Le montant de chacun des versements mensuels sera équivalent au douzième de la valeur annuelle estimée de l'impôt foncier à venir à l'échéance et exigible, et pourra être modifié, le cas échéant, de manière à refléter les fluctuations de l'impôt foncier auquel est assujéti le bien-fonds. Les versements mensuels à titre d'impôt foncier doivent nous permettre de payer à l'échéance annuelle, ou avant, la totalité de l'impôt foncier; si l'impôt foncier est payable par versements, les versements mensuels doivent nous permettre de payer à l'échéance du premier versement, ou avant, la totalité de l'impôt foncier.

Vous devez nous verser, sur demande, le montant de l'impôt foncier réel qui excède sa valeur annuelle estimée ou, à notre choix, nous pouvons augmenter le montant des versements à titre d'impôt foncier pour couvrir la différence.

Aussi longtemps que vous ne serez pas en défaut aux termes de l'hypothèque, nous appliquerons le montant des versements mensuels au paiement de l'impôt foncier pour le bien-fonds. Nous n'avons pas l'obligation d'effectuer le paiement de l'impôt foncier par versements ou plus d'une fois l'an. Si le montant que vous avez versé à titre d'impôt foncier est insuffisant, nous pouvons, à notre choix, payer l'impôt foncier, ce qui aura pour effet d'engendrer un solde débiteur à votre compte de provision pour impôt foncier. Vous devez rembourser immédiatement tout solde débiteur. Nous n'avons pas l'obligation de vous informer que le solde de votre compte est débiteur.

Des intérêts seront versés pour tout solde créditeur à votre compte de provision pour impôt foncier. Les intérêts versés ne seront pas moindres que ceux versés à un compte-chèques d'épargne ayant le même solde créditeur. Nous exigerons le paiement d'intérêts sur le solde débiteur à votre compte de provision pour impôt foncier au taux prévu aux conventions jusqu'au paiement complet du découvert. Tout découvert, y compris les intérêts courus, s'ajoutera aux obligations garanties.

Le défaut de payer à l'échéance tout montant relatif aux obligations garanties fait en sorte que nous pourrions appliquer le solde créditeur de votre compte de provision pour impôt foncier à son paiement.

Nous pouvons déduire de toute avance relative aux obligations garanties le montant nécessaire pour le paiement de l'impôt foncier échu et exigible.

Vous devez nous transmettre sans délai tout avis d'évaluation, avis de cotisation et compte d'impôt foncier que vous recevrez, de même que tout compte d'impôt foncier acquitté, si nous l'exigeons.

(iv) **Autres charges** Vous vous engagez à payer à l'échéance l'impôt foncier et les dépenses communes de même que les créances garanties par les sûretés, les hypothèques, les privilèges et autres charges sur le bien-fonds. Si vous ne payez pas ces montants à l'échéance, nous pouvons les payer ainsi que toute créance et dépenses communes et toute créance garantie par les privilèges et charges sur le bien-fonds que nous jugeons prioritaires à la présente hypothèque. Si nous payons en votre nom l'impôt foncier, les dépenses communes de même que les créances garanties par les sûretés, les hypothèques, les privilèges et autres charges sur le bien-fonds, vous devrez nous rembourser ces montants; lesdits montants s'ajouteront aux obligations garanties et porteront un intérêt au taux prévu aux conventions jusqu'à leur remboursement intégral. Vous devez aussi nous rembourser toutes les sommes que nous avons engagées pour le recouvrement des montants dont vous avez fait défaut de nous rembourser à l'échéance, y compris tous les frais et honoraires judiciaires sur base client-avocat. Ces sommes s'ajouteront aux obligations garanties et porteront un intérêt au taux prévu aux conventions.

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- (v) **Maintien du bien-fonds en bon état** - Vous vous engagez à maintenir le bien-fonds en bon état et à effectuer les réparations nécessaires. Vous ne devez ni faire, ni permettre à quelqu'un d'autre de faire quoi que ce soit qui puisse réduire la valeur du bien-fonds. Nous pouvons inspecter le bien-fonds à tout moment que nous estimons raisonnable, les frais de ces inspections étant exigibles. Vous devez nous rembourser immédiatement ces frais d'inspection qui s'ajouteront aux obligations garanties et porteront un intérêt au taux prévu aux conventions.

Si vous ne maintenez pas le bien-fonds en bon état ou si vous permettez à quelqu'un d'autre de faire quoi que ce soit qui puisse réduire la valeur du bien-fonds, nous pouvons effectuer les réparations que nous jugeons nécessaires et exiger de vous le remboursement du coût des réparations. Vous devez nous rembourser immédiatement ces coûts qui s'ajouteront aux obligations garanties et porteront un intérêt au taux prévu aux conventions. Vous ne devez faire aucun travail de rénovation, de modification ou d'amélioration sans avoir obtenu au préalable notre consentement écrit.

Vous ne pouvez utiliser le bien-fonds à des fins commerciales sans avoir obtenu notre consentement.

- (vi) **Obligations du locataire** - À titre de locataire du bien-fonds, vous vous engagez :

- à payer à l'échéance le loyer ainsi que tous les montants exigibles en vertu du bail;
- à respecter toutes les autres clauses du bail et à omettre de faire quoi que ce soit qui puisse entraîner la résiliation du bail;
- à ne pas délaissier le bail;
- à n'apporter aucune modification au bail sans avoir obtenu au préalable notre consentement écrit;
- à nous remettre une copie conforme de tout avis ou de toute demande que vous recevrez concernant le bail; et
- à nous informer sans délai si le propriétaire du bien-fonds vous annonce la résiliation anticipée du bail ou s'il entreprend toute démarche à cet effet.

Nous avons le droit, sans y être obligés, de remédier à tout défaut de votre part de respecter les obligations du bail. Si nous remédions à un défaut, les dépenses que nous avons engagées à cette fin sont exigibles. Vous devez nous rembourser immédiatement ces dépenses qui s'ajouteront aux obligations garanties et porteront intérêts au taux prévu aux conventions.

8. Remboursement anticipé

Votre droit, le cas échéant, de rembourser par anticipation le capital est défini aux conventions.

9. Prêts hypothécaires à la construction

Le terme **amélioration** comprend tous les travaux de construction, d'installation, de rénovation, d'agrandissement, de réparation ou de démolition. Si une portion des montants relatifs aux obligations garanties doit servir au financement d'améliorations, vous devez nous en informer par écrit sans délai et avant l'avancement de ces fonds. Vous devez aussi nous remettre une copie des contrats et des contrats de sous-traitance relatifs aux améliorations, de même que toute modification à ces contrats. Vous convenez que toute amélioration doit être exécutée conformément aux contrats, plans et cahiers des charges que nous aurons préalablement approuvés par écrit. Vous devez achever les travaux de construction ou d'amélioration avec célérité et nous fournir, le cas échéant et lorsque nous l'exigeons, une preuve de paiement pour chacun des contrats. Si vous n'achevez pas les travaux, nous pouvons le faire à votre place; les dépenses nécessaires pour l'achèvement des travaux s'ajouteront aux obligations garanties et porteront intérêt au taux prévu aux conventions. Vous devez nous rembourser immédiatement ces dépenses. Nous vous avancerons les fonds (avances partielles du capital emprunté) au fur et à mesure que les travaux d'amélioration progresseront, jusqu'à leur achèvement et à l'occupation des lieux ou à la vente du bien-fonds. Nous nous réservons le droit d'avancer ou non des fonds, de déterminer le montant des avances ainsi que le moment propice pour les effectuer. Peu importe la raison pour laquelle vous avez contracté le prêt hypothécaire, nous pouvons à notre entière et seule discrétion retenir les fonds jusqu'à ce que vous nous démontriez, à notre satisfaction, que vous avez respecté les dispositions relatives à la retenue de garantie de la Loi sur le privilège dans l'industrie de la construction, telle qu'elle a été modifiée ou remise en vigueur. Vous nous autorisez à donner de l'information concernant la présente hypothèque à toute personne invoquant un privilège de construction sur le bien-fonds.

10. Cession de bail

À titre de garantie additionnelle et séparée pour le paiement des obligations garanties, vous nous cédez tous les baux présents ou futurs ainsi que tous les loyers à percevoir sur le bien-fonds. En particulier, vous nous cédez à titre de garantie :

- (i) tous les baux ou ententes de location, ainsi que leurs renouvellements;
- (ii) tous les loyers et autres montants exigibles en vertu de tels baux et ententes. Cependant, nous pouvons vous autoriser à percevoir les loyers aussi longtemps que vous n'êtes pas en défaut d'effectuer vos paiements ou de respecter vos autres obligations aux termes de la présente hypothèque; et
- (iii) tous vos droits en vertu de tels baux ou ententes.

Au surplus, vous convenez que :

- (i) vous devez obtenir préalablement notre consentement écrit à l'égard de tout nouveau bail sur le bien-fonds ou de tout renouvellement de bail (sauf en ce qui concerne les renouvellements déjà prévus aux contrats de bail);
- (ii) rien sous la présente rubrique ne peut avoir pour effet de nous mettre en possession du bien-fonds;
- (iii) si vous êtes en défaut aux termes de la présente hypothèque, nous avons le droit de prendre possession du bien-fonds, de l'inspecter, de l'administrer ou de percevoir les loyers; et
- (iv) nous n'avons pas l'obligation de percevoir les loyers ou tout autre montant, ni de respecter les conditions de tout bail ou entente.

11. Désignation d'un séquestre pour la perception des revenus

Si vous omettez d'effectuer un versement régulier sur votre prêt ou tout autre paiement que vous vous êtes engagé à faire, ou de respecter vos obligations aux termes d'une convention ou de l'hypothèque, nous pouvons désigner par écrit un séquestre (notamment un administrateur-séquestre) pour la perception de tout revenu provenant du bien-fonds. Nous pouvons également substituer par écrit un nouveau séquestre à tout séquestre que nous avions désigné. Le séquestre est réputé être votre mandataire et non le nôtre, et ses omissions sont réputées être uniquement les vôtres.

Le séquestre a le droit :

- (i) de prendre tout recours (à votre nom ou au nôtre) pour percevoir le revenu provenant du bien-fonds;
- (ii) de prendre possession du bien-fonds ou d'une partie de celui-ci;
- (iii) d'administrer le bien-fonds, de le maintenir en bon état et d'y terminer, le cas échéant, toute construction ou amélioration; et
- (iv) de céder à bail le bien-fonds selon les conditions qu'il juge appropriées.

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Sur le revenu que le séquestre perçoit, ce dernier peut :

- i) prélever une commission de 5 % du montant total perçu, ou une commission selon tout autre taux plus élevé consenti par un juge ou un fonctionnaire autorisé;
- ii) prélever le montant nécessaire au remboursement des sommes engagées pour la perception du revenu;
- iii) payer toutes les taxes, les primes d'assurance incendie et les dépenses engagées pour maintenir le bien-fonds en bon état ou terminer toute construction ou amélioration, l'intérêt couru sur ces taxes, primes d'assurance et dépenses, et rembourser toutes les créances garanties par des charges ayant priorité sur la présente hypothèque ainsi que l'intérêt couru sur de telles créances;
- iv) nous payer tout l'intérêt échû et exigible relativement aux obligations garanties et, à notre choix, nous rembourser la totalité ou une partie des obligations garanties, qu'elles soient échûes ou non.

Aucun acte du séquestre n'a pour effet de nous mettre en possession du bien-fonds ou d'engager notre responsabilité à l'égard des sommes d'argent autres que celles que nous avons fait reçues.

12. Clause environnementale

Nous (y compris, aux fins de la présente rubrique, la Société canadienne d'hypothèques et de logement, s'il s'agit d'un prêt hypothécaire assuré par la SCHL) pouvons inspecter le bien-fonds et ses bâtiments lorsque nous le jugeons à propos. Nous pouvons effectuer de telles inspections quelles qu'en soient les raisons, mais principalement pour entreprendre toute analyse environnementale et toute évaluation environnementale du site, investigation et étude que nous jugerons nécessaires. Les frais afférents à ces inspections, analyses, évaluations ou études sont exigibles et vous devez nous les rembourser dès réception d'un avis à leur sujet. Si vous faites défaut de nous rembourser lorsque nous l'exigeons, ces frais s'ajouteront aux obligations garanties aux termes de la présente hypothèque et porteront intérêt au taux prévu aux conventions. Rien sous la présente rubrique ne peut avoir pour effet de nous mettre en possession du bien-fonds ou de le placer sous notre contrôle.

13. Titrisation

Nous pouvons, selon notre choix, vendre à une ou plus d'une tierce partie ou déposer auprès d'elle(s) la totalité ou une partie des obligations garanties ou de celles liées à toute convention ou à la présente hypothèque sans avoir à vous en informer ou à obtenir votre consentement. Advenant la vente ou le dépôt des obligations garanties, vous convenez que la présente hypothèque garantira toutes les obligations garanties, y compris tous montants exigibles aux termes des obligations garanties ou des conventions qui ont été vendues, cédées ou déposées, de même que les obligations garanties émanant de toute convention à la suite d'une vente, d'une cession ou d'un dépôt. Nous pouvons racheter les obligations garanties relatives à la présente hypothèque de même que celles relatives à toute convention qui ont été vendues, cédées ou déposées, que vous soyez ou non en défaut de les respecter.

14. Paiement anticipé

Vous devez nous payer immédiatement, à notre choix, la totalité des obligations garanties si vous faites défaut de payer toute partie des obligations garanties à l'échéance ou si vous faites défaut de respecter vos obligations aux termes de la présente hypothèque ou des conventions.

15. Atermolement

Nous pouvons différer l'exercice de nos droits en vertu de la présente hypothèque ou des obligations garanties sans y renoncer, et également libérer des tiers de leurs obligations contractées en vertu de la présente hypothèque ou des obligations garanties, sans que vous ne soyez pour autant libéré des vôtres.

16. Voies de recours de la Banque

Si vous omettez de rembourser les obligations garanties après que nous en demandons le paiement ou si vous ne corrigez pas une omission aux termes de la présente hypothèque ou d'une convention, nous pouvons prendre immédiatement possession du bien-fonds. Dès que vous êtes en demeure conformément à la loi, nous pouvons vendre le bien-fonds, le céder à bail ou prendre tout autre recours qu'offrent les lois de l'Ontario. Vous devez nous rembourser immédiatement toutes les dépenses que nous avons engagées pour faire valoir ou protéger notre garantie ou tout autre droit aux termes de l'hypothèque ou d'une convention. Nos dépenses comprennent les sommes que nous avons engagées pour prendre ou conserver la possession du bien-fonds, une allocation pour le temps et les services fournis par nos employés pour ce faire, les honoraires versés à un avocat, et tous les autres frais reliés à la protection ou à l'exercice de nos droits aux termes de la présente hypothèque. Ces dépenses font partie des obligations garanties et portent un intérêt au taux indiqué à l'hypothèque. Dès que nous acquérons le droit de vendre ou de céder à bail le bien-fonds, nous pouvons procéder à la vente publique ou de gré à gré, ou à la location du bien-fonds, de quelque manière que ce soit et selon les conditions que nous jugeons raisonnables, au comptant ou partie au comptant et partie à crédit. Si le montant qui nous est versé en contrepartie de la vente ou de la location du bien-fonds est insuffisant pour couvrir ce que vous nous devez en ce qui a trait aux obligations garanties, vous devez nous payer la différence.

Vous vous engagez à ne faire aucune réclamation concernant le bien-fonds contre une personne qui achète ou loue de nous le bien-fonds, ou contre un acheteur ou un acquéreur subséquent. Vous vous engagez à ne faire vos réclamations concernant le bien-fonds que contre nous, lesquelles réclamations doivent se limiter à des dommages-intérêts.

Si nous obtenons un jugement contre vous en raison de l'inexécution de vos obligations à notre égard aux termes d'une convention ou de l'hypothèque, cela n'aura pas pour effet de réunir les ordonnances de ce jugement avec les autres recours et droits que nous détenons pour l'exécution de vos obligations aux termes de l'hypothèque. Nous conservons le droit de recevoir l'intérêt sur le montant des obligations garanties de la manière établie à la(ux) convention(s). L'intérêt payable aux termes d'un jugement doit être calculé et payé de la même manière que l'intérêt pratiqué aux termes de la(des) convention(s) et au même taux pratiqué, jusqu'au remboursement intégral du montant qu'ordonne le jugement.

17. Vente du bien-fonds

En cas de vente ou de cession du bien-fonds, nous pouvons exiger, à notre choix, le règlement immédiat du montant des obligations garanties. Le fait de notre part de ne pas exiger un tel règlement n'aura aucune incidence sur les engagements que vous avez contractés envers nous aux termes de l'hypothèque, ni sur les droits que nous pouvons faire valoir contre vous ou contre toute personne responsable du paiement des obligations garanties.

18. Modifications

De temps à autre, nous pouvons conclure avec vous (ou avec tout cessionnaire du bien-fonds) une ou plus d'une convention écrite afin de modifier les conventions ou la présente hypothèque. L'enregistrement des conventions de modification n'est pas nécessaire pour maintenir la priorité de la présente hypothèque telle qu'elle a été modifiée, sur tout autre instrument enregistré subséquemment à la présente hypothèque, pour le montant total des obligations garanties. Dans les présentes Clauses types de la charge, le terme hypothèque désigne la présente hypothèque telle qu'elle est modifiée par l'une ou l'autre des conventions de modification.

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19. Avis

Tout avis écrit en vertu de la présente hypothèque ou des conventions peut vous être remis et doit être considéré comme reçu du simple fait que nous l'ayons envoyé à l'adresse la plus récente dont vous nous avez fait part par écrit. L'avis écrit reçu par l'un ou l'autre d'entre vous est considéré comme reçu par vous deux. L'avis écrit qui nous est destiné est considéré comme reçu dès sa réception à l'adresse de la succursale indiquée à la présente hypothèque ou à l'adresse de toute autre succursale dont nous vous avons fait part par écrit.

20. Portée sur les autres conventions, obligations et garanties

La présente hypothèque ne modifie pas vos autres obligations aux termes des conventions que vous avez conclues avec nous et n'entraîne pas leur décharge. Elle n'aura aucune incidence sur les autres garanties affectées au remboursement des obligations garanties, ni sur les autres droits que nous pouvons faire valoir pour le paiement des obligations garanties.

21. Condominiums

Sous la présente rubrique, la Loi sur les condominiums, telle qu'elle a été modifiée ou remise en vigueur, est appelée la «Loi». Les termes utilisés ci-dessous qui correspondent à ceux énoncés dans la Loi ont le même sens que ces derniers, sauf le terme **propriété en condominium** qui a le sens donné au terme «propriété» dans la Loi.

Vous devez vous conformer à la Loi et à la déclaration de condominium, aux règlements et aux règles de l'association de copropriété (**l'association**) concernant le bien-fonds et, de temps à autre, vous nous fournirez sur demande une preuve de conformité.

Vous devez payer à l'association, aux dates d'échéance, les dépenses communes afférentes à votre bien-fonds. En plus de nos autres droits et recours aux termes de la présente hypothèque, vous devez nous rembourser immédiatement toutes nos dépenses liées à tout règlement et toute résolution, règle ou autre intervention (autre que celle exigeant exclusivement un vote de la majorité présente à l'assemblée), ou à l'exercice de nos droits quant au respect de la Loi, de la déclaration de condominium, des règlements et des règles par l'association ou par un autre propriétaire, et à l'exercice de tout droit de vote que nous pourrions détenir.

Ces dépenses s'ajouteront aux obligations garanties et porteront un intérêt au taux prévu aux conventions.

Vous nous autorisez irrévocablement à exercer vos droits à l'égard de toute question concernant la Loi ou la propriété en condominium. Vous nous autorisez également à exercer vos droits d'exiger que l'association achète votre unité et votre intérêt commun lorsque la Loi le prévoit; de choisir que la valeur de votre unité et de votre intérêt commun ou de celle de la propriété en condominium soit déterminée par voie d'arbitrage et de recevoir votre part de l'actif de l'association et du produit de la vente de votre unité et de votre intérêt commun, ou de la propriété en condominium ou de toute partie commune.

Si nous n'exerçons pas vos droits, vous pouvez les exercer conformément aux instructions que nous vous donnerons. Avant d'effectuer une réclamation ou un choix quelconque, vous devez obtenir au préalable notre consentement écrit. Vous devez procéder ainsi même s'il n'existe aucun droit de faire une réclamation ou un choix entre nous et l'association, et même si nous avons pris des dispositions préalables pour que vous exerciez ce droit.

Rien de ce qui aura été entrepris aux termes des paragraphes qui précèdent ne peut nous mettre en possession du bien-fonds. Nous ne pouvons être tenus responsables des actes que nous commettons dans l'exercice de ce que vous nous avez autorisé à faire ou par omission.

Vous nous autorisez à examiner les registres de l'association et à remédier à toute omission de votre part de vous conformer à la Loi ou à la déclaration de condominium, aux règlements et aux règles de l'association. Vous devez nous faire parvenir, si nous l'exigeons, toute évaluation, règle et tout avis, règlement ou état financier de l'association que vous recevrez (ou dont vous avez le droit de recevoir copie) de l'association.

Les obligations garanties deviennent exigibles immédiatement, à notre discrétion, si i) l'association omet de se conformer à la Loi et à la déclaration de condominium, aux règlements et aux règles de l'association; ii) l'association omet d'assurer toutes les parties communes et privatives du condominium conformément à la loi et à nos exigences additionnelles ou de faire tout ce qui est nécessaire afin de recouvrer le produit de l'assurance; iii) l'association effectue des modifications importantes aux parties communes ou à son actif sans notre consentement; iv) il y a eu des dommages considérables et les propriétaires ont voté en faveur de la résiliation du condominium; v) la vente de la propriété condominium ou d'une portion des parties communes est autorisée; ou vi) le bien-fonds cesse d'être soumis à la Loi.

Si le bien-fonds cesse d'être soumis à la Loi, toutes les dispositions de la présente hypothèque continueront à s'appliquer au bien-fonds. Vous nous autorisez à consentir avec toute personne à la division de la propriété en condominium. Nous pouvons verser ou recevoir des sommes d'argent afin que la division soit égale et vous devrez nous rembourser immédiatement ces sommes. Nous pouvons également passer tout document et entreprendre tout acte nécessaire à la division de la propriété en condominium. Votre part de l'actif de l'association et le produit de la vente de votre unité et de votre intérêt commun ou de la propriété en condominium ou de toute partie commune doivent nous être versés (à moins que nous vous indiquions le contraire par écrit) et vous devez entreprendre tout ce qui est nécessaire à cette fin et toute somme que nous recevrons (déduction faite de nos dépenses) pourra être appliquée à la réduction de toute portion des obligations garanties. Vous devez rembourser tout solde débiteur résiduel dès que toutes les créances auront été payées.

22. Mainlevée

Nous pouvons établir des conditions pour la mainlevée totale ou partielle de l'hypothèque qui grève le bien-fonds que nous ayons reçu ou non valeur pour la mainlevée. Si nous libérons en tout temps une partie du bien-fonds de la présente hypothèque, le reste du bien-fonds continuera de garantir les obligations garanties.

Si le bien-fonds est subdivisé avant que nos droits sur celui-ci prennent fin, la présente hypothèque grèvera chacun des lotissements. En d'autres termes, chaque lotissement garantira le remboursement du plein montant des obligations garanties que vous nous devez, même si nous libérons une autre partie du bien-fonds de la présente hypothèque.

Nous pouvons vous libérer, de même que le garant ou toute autre personne, de l'exécution de toute obligation contenue dans la présente hypothèque ou un autre document constitutif d'une sûreté, sans qu'il y ait mainlevée de l'hypothèque qui grève toute partie du bien-fonds ou de toute autre sûreté. Une telle mainlevée ne libère pas les autres personnes de leurs obligations aux termes de la présente hypothèque ou des conventions.

23. Quitittance

Lorsque nos droits dans le bien-fonds prendront fin, nous préparerons à votre intention une quittance à l'égard de notre créance (mainlevée d'hypothèque). Vous devez nous accorder un délai raisonnable pour la préparation, la signature et l'enregistrement de la mainlevée d'hypothèque et nous payer les frais administratifs habituels pour la préparation, la révision ou la signature de ladite mainlevée, ainsi que tous les frais juridiques ou autres dépenses que nous avons engagés à cette fin.

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24. Parties liées

Vous consentez à respecter toutes les conditions et obligations contenues dans la présente hypothèque et à être lié(e) par celles-ci. La présente hypothèque lie également vos héritiers, vos représentants successoraux ainsi que tout cessionnaire du bien-fonds, en notre faveur et celle de nos successeurs et de nos ayants droit. Tout signataire de la présente hypothèque ou toute personne qui est liée par ladite hypothèque à titre de constituant est conjointement et individuellement responsable du respect des obligations qui y sont prévues.

25. Garantie

Sous la présente rubrique, le terme **garant désigne** chacun des signataires de la présente hypothèque à titre de garant des obligations garanties. Le terme **constituant désigne** chacun des signataires de la présente hypothèque ou toute personne qui est liée par ladite hypothèque à titre de constituant.

En contrepartie du prêt que nous avons consenti au constituant, le garant en signant la présente hypothèque s'engage à garantir, sans conditions et en notre faveur, les paiements du constituant pour le remboursement des obligations garanties à l'échéance (y compris l'intérêt, qu'il y ait ou non changement du taux, ainsi que d'autres frais et dépenses). Le garant s'engage également à garantir le respect des autres obligations du constituant aux termes de la présente hypothèque et des conventions. Chaque garant accepte, si le constituant fait défaut d'effectuer un paiement ou de respecter toute autre obligation aux termes de la présente hypothèque ou des conventions, qu'il devra nous payer sur demande toutes les obligations garanties et respecter toutes les obligations de ladite hypothèque et desdites conventions que le constituant a omis de respecter. Chaque garant sera conjointement et individuellement responsable avec le constituant (c'est-à-dire les uns les autres, s'il y en a plusieurs) de toutes les obligations aux termes de la présente hypothèque et des conventions, y compris du paiement des obligations garanties.

Il est entendu que nous pouvons, sans décharger le garant de sa responsabilité, ou la réduire, et sans obtenir son consentement ou l'en informer :

- faire de nouvelles avances de fonds relatives aux obligations garanties;
 - accorder toute prolongation de délai de paiement et tout report d'échéance des obligations garanties, y compris toute modification et tout remplacement et renouvellement des conventions concernant les obligations garanties ainsi que toute addition auxdites obligations;
 - augmenter le taux d'intérêt prévu aux conventions, soit avant l'échéance initiale, soit avant l'échéance de tout renouvellement;
 - accorder la mainlevée totale ou partielle de l'hypothèque qui grève le bien-fonds ou de toutes autres sûretés;
 - faire affaire avec le constituant ou toute autre personne (y compris le garant) ou passer toute sûreté (y compris la présente hypothèque) sur le bien-fonds, y compris la mainlevée, la réalisation ou le remplacement de toute sûreté que nous pourrions détenir;
 - renoncer en tout temps à toute disposition de la présente hypothèque ou des conventions ou modifier toute condition de ladite hypothèque et desdites conventions;
- avant ou après avoir exigé le paiement de toute autre personne. Nous pouvons exiger le paiement de tout garant sans l'avoir au préalable exigé du constituant ou de toute autre personne (y compris tout garant), ainsi que de toute sûreté (y compris la présente hypothèque). Les obligations du garant aux termes de la présente garantie sont celles d'un débiteur principal et non celles d'une caution. La quittance accordée à tout constituant ou à toute autre personne (y compris tout garant) à l'égard de leurs obligations aux termes des obligations garanties ou toute transaction à l'égard desdites obligations garanties ou leur annulation, dans le cadre d'une procédure de faillite ou autrement, n'ont aucun effet sur les obligations du garant. Les obligations de chaque garant lient ses successeurs ou ses représentants successoraux.

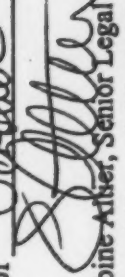
26. Rubriques

Les rubriques qui accompagnent le texte de la présente hypothèque ont été insérées pour en faciliter la lecture; elles n'en font pas partie intégrante. Vous convenez que toutes les dispositions des présentes clauses standard de la charge font partie intégrante de l'acte d'hypothèque.

27. Exclusion de certaines dispositions législatives

Les engagements prévus à l'article 7(1) et les dispositions relatives à l'extinction de l'article 6(2) de la Loi portant sur la réforme de l'enregistrement immobilier ne s'appliquent pas à la présente hypothèque.

Dated this 23 day of October, 2001.


Sabine Aker, Senior Legal Counsel
General Counsel, Montreal

STANDARD CHARGE TERMS
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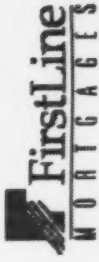


STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 200113

Filing Date Nov. 27, 2001 Date de Dépôt

Page 1 of 16 Pages



DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES
LAND REGISTRATION REFORM ACT
SET OF STANDARD CHARGE TERMS

Filed by: CIBC Mortgages Inc.
Filing Number:

Filing Date:

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act, except to the extent that the provisions of this set of standard charge terms are modified by additions, amendments or deletions in a schedule, if any.

1. DEFINITIONS

In this set of standard charge terms:

Act means the *Land Registration Reform Act, R.S.O. 1990, c.l.4*, (as amended or replaced);

borrower, you and your mean each person who signs the mortgage as chargor(s);

GMHC means Canada Mortgage and Housing Corporation;

GEMI means GE Capital Mortgage Insurance Company (Canada);

interest adjustment date means the date specified in the registered document;

lender, we, our and us mean CIBC Mortgages Inc., as chargor;

loan amount means the principal amount, interest and all other amounts owing to us from time to time under the mortgage;

mortgage, when used as a noun, means a Charge/Mortgage of Land, any schedules attached to it, any renewals or amendments and this set of standard charge terms;

paragraph refers to a numbered paragraph in this set of standard charge terms;

principal amount means the amount set out in the registered document;

registered document means for the non-electronic paper based registration system, the Form 2 Charge/

Mortgage of Land that you sign to give this mortgage and any schedules attached to it, or, for the electronic registration system, the charge prepared in the electronic format and registered electronically pursuant to the provisions of Part III of the Act;

schedule means any schedule attached to the Charge/Mortgage of Land; and

your property means the land described in the registered document, all buildings and structures now on the land or later added, and anything now or later attached to or fixed to the building or the land, including additions, alterations, substitutions and improvements. If the property is a condominium unit, "your property" includes the common elements and any other interest that you may have in the assets of the Condominium Corporation, and references to "your property" mean all or any part of it

2. EXCLUSION OF STATUTORY COVENANTS

The covenants set out in Section 7(1) of the Act are excluded from the mortgage.

3. OUR LOAN TO YOU

In return for our lending you the principal amount or such of the principal amount as is advanced to you from time to time (which by signing and delivering the mortgage you acknowledge having received from us):

- (a) if you are the owner of your property, you charge your entire interest in your property to us; or
- (b) if you are a tenant or lessee of your property under a lease, you charge and sublease your entire interest (including any option or right of first refusal to purchase) in your property, for the term (except the last day) of your lease, including any renewals to us;

to secure repayment of the loan amount and to ensure that you perform all your obligations under the mortgage. Our interest in your property ends when you have repaid the loan amount in full as provided in the mortgage and you have complied with all of your other obligations under the mortgage.

4. FIXED INTEREST RATE (Applicable only to Fixed Rate Mortgages)

The interest rate payable by you is specified in the registered document. Interest is payable at the frequency set out in the registered document and calculated semi-annually not in advance. The first semi-annual calculation of interest after the interest adjustment date will be for the six-month period commencing on that date. That calculation will be made six months after the interest adjustment date and semi-annual calculations of interest will be made every six months after that. Interest is payable on the loan amount at this rate both before and after the balance due date in the registered document, default and judgment, until the loan amount has been paid in full. When not in default, you shall have the privilege of changing your payment frequency to any one of the frequencies currently offered for your type of mortgage. Should you exercise this privilege, there may be an interest adjustment amount payable.

5. VARIABLE INTEREST RATE (Applicable only to Adjustable Rate Mortgages)

- (a) Interest Rate

At any particular time, the interest rate chargeable under the mortgage is called the "current mortgage rate". Interest is payable monthly, calculated semi-annually not in advance and is payable on the loan amount both before and after the balance due date, default and judgment, until the loan amount has been paid in full.

- (i) if you have an Adjustable Rate Mortgage – Prime Minus, the interest rate payable by you specified in the registered document is a floating rate which is adjusted on the first day of each month. The first interest rate adjustment will not occur until three months from the interest adjustment date. The interest rate payable for each month shall be the rate per annum equal

to the prime rate of Canadian Imperial Bank of Commerce in effect on the first day of such month (the "mortgage prime rate") less 0.375%.

- (ii) If you have an Adjustable Rate Mortgage - Designer, the interest rate payable by you specified in the registered document is a floating rate which is adjusted when the prime rate of Canadian Imperial Bank of Commerce (the "mortgage prime rate") changes from time to time. The interest rate payable for each month shall be the rate per annum equal to the mortgage prime rate less 0.500% for the first six (6) months from the interest adjustment date and less 0.400% for the remainder of the term. The principal and interest payment will be recalculated every time the mortgage prime rate changes based on the current mortgage rate and the then remaining amortization period on the mortgage.
- (iii) If you have an Open Adjustable Rate Mortgage, the interest rate payable by you specified in the registered document is a floating rate which is adjusted when the prime rate of Canadian Imperial Bank of Commerce (the "mortgage prime rate") changes from time to time. The interest rate payable for each month of the term shall be the rate per annum equal to the mortgage prime rate in effect from time to time from the interest adjustment date. The principal and interest payment will be recalculated every time the mortgage prime rate changes based on the current mortgage prime rate and the then remaining amortization period on the mortgage.

(b) **How You May Determine the Interest Rate.**

The mortgage prime rate, the current mortgage rate payable and Principal and interest payment on the loan amount remain in effect until varied as provided under paragraph 5(a). Within a reasonable time after each change in the mortgage prime rate, we may mail to you, at your last known address according to our records, a notice of the changed mortgage prime rate, its effective date, the current mortgage rate and the changed Principal and interest payment, if applicable, calculated semi-annually not in advance. The interest rate and payment amount will still vary under paragraph 5(a) even if we fail to send you such a notice or you fail to receive it. The mortgage prime rate in effect at any time is available at any branch in Canada of Canadian Imperial Bank of Commerce.

(c) **Deferred Interest**

The amount of interest that has accumulated on the loan amount from one regular payment to the next which exceeds the regular loan payment is called "deferred interest". Interest at the current mortgage rate will be charged on the deferred interest from and including such regular payment date. On the next regular payment date, all interest which has accumulated on deferred interest from the previous regular payment date shall be added to and become deferred interest and will itself bear interest from and including the regular payment date at the current mortgage rate. You may pay deferred interest by separate payment as your regular payment will not be applied to such interest. The amount of deferred interest outstanding from time to time may be obtained by contacting us.

6. **COMPOUND INTEREST**

If you do not make the regular mortgage payment or other payment when required by the mortgage, we will charge interest, at the rate provided for in the mortgage (called "compound interest") both before and after the balance due date set out in the registered document, default and judgment on all overdue amounts (including interest). You must pay this additional interest immediately when we require, both before and after the balance due date, default and judgment.

7. **REPAYMENT OF LOAN AMOUNT**

(a) **Currency and Place**

You will pay the loan amount to us in Canadian Dollars, at the address set out in the registered document or as you may be notified in writing.

(b) **Interest adjustment date**

- (i) Interest on advances up to the interest adjustment date will be calculated semi-annually not in advance at the rate specified in the registered document in effect on the date of advance and at our option will be paid by you or deducted by us on the interest adjustment date, deducted by us from any advance or advances which we make, or be deducted by us on the first regular mortgage payment date. If you have an Adjustable Rate Mortgage, interest will be calculated at the lesser of the rate specified in the registered document in effect on the date of advance or the initial rate set seven days prior to the date of advance
- (ii) Accrued interest on progress advances, if this is a building mortgage, up to the interest adjustment date established for the initial term of the mortgage, shall be calculated daily and charged monthly, and may without adjustment be retained out of the proceeds of each subsequent advance of the mortgage. Where more than 30 days elapses between advances interest will be paid promptly as invoiced or debited. Interest on any overdue interest, compounded monthly, will be calculated on the same basis until paid. Interest accruing to the interest adjustment date established for the initial term of the mortgage, will be deducted from the last substantial advance

(c) **Regular Payments**

You will make regular payments of principal and interest to us on the payment dates specified in the registered document each in the amount specified in the registered document, starting with the first payment date until and including the last payment date. When not in default, you shall have the privilege of changing your payment date to any date currently offered for the applicable term for your type of mortgage. Should you choose to exercise this privilege, an interest adjustment amount may be payable. You will pay the outstanding balance of the loan amount or the balance due date as set out in the registered document.

(d) Payment Provisions on Default

If you fail to make any payment or do not meet any of your other obligations under the mortgage, you must immediately pay to us all outstanding arrears. We may, if we wish, require you to make all following payments of principal and interest, taxes, and insurance premiums (if applicable) on a monthly basis. In such an event, we may require you to pay interest to the first day of the following month within 15 days of notice from us, which will be added to the loan amount if you do not do so. We may also use the rights we already have under paragraph 22.

(e) Bank Account for Payments

You must maintain an account of a type satisfactory to us with a Canadian financial institution and provide an authorization in a form satisfactory to us to automatically debit each payment of principal, interest, taxes and insurance premiums (if applicable) when due. You must make sure that the account always contains sufficient funds to meet each payment. Failure to maintain sufficient funds in the account, cancellation of the authorization or closing the account will be considered to be default under the mortgage. You agree to pay us our then current administration and processing fees for any actions which we have to take under this paragraph 7.

**(f) Principal Balance never to exceed 105% of Original Loan Amount
(Applicable only to Adjustable Rate Mortgage - Prime Minus).**

In the event that the total of the outstanding principal balance of the mortgage plus all regular and variable accrued interest thereon equals or exceeds 105% of the original balance, you shall be required to:

- (i) increase the amount of your regular mortgage principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage;
- (ii) make a lump sum payment on account of principal plus regular and variable accrued interest in order that the resulting balance not exceed 100% of the original principal balance during the remainder of the current term; or
- (iii) convert the mortgage to one having a fixed rate of interest, equal monthly payments and for any term then being offered by us for *National Housing Act*, R.S.C. 1985, C.n.11 (as amended or replaced) insured loans. There will be no charge for converting to the longer term. The rate will be the current posted rates for the appropriate term. The rate change will be effective on the first of the month following notification, in writing, of the requested modification.

(g) Term/ Amortization (Applicable only to Adjustable Rate Mortgage- Prime Minus)

The annual interest rate specified in your mortgage is subject to variations as set out herein. The principal and interest payment, however, is fixed during the term of the mortgage unless changed by you pursuant to the terms of your mortgage, if applicable. Payments are applied to the current interest on the outstanding principal owing up to the date of such payment and then the balance, if any, to the principal amount. If the annual interest rate increases, a larger portion of the regular payment will be applied to interest and a smaller portion to principal, with the result that the balance owing on the maturity date may be larger than the amount originally set out in your mortgage disclosure statement. If the interest rate rises above the trigger rate set out in your mortgage disclosure statement, your principal and interest payment will no longer cover the interest portion of your mortgage owing and the amortization period of the mortgage may increase. In such a case, you may be required to increase the amount of your regular principal and interest payment so that the mortgage will be repaid in full over the registered amortization period, less the amount of time that has elapsed since you took out the mortgage.

8. HOW WE APPLY YOUR PAYMENTS

Each of your regular payments will be used in the following order to pay: a) collection expenses, if any; b) insurance premium, if any; c) to bring into good standing any accounts in which funds are held pending payment to third parties or amounts debited in respect of the mortgage, including tax accounts (the "escrow accounts"); d) to pay interest or reduce the interest (including any deferred interest outstanding) on the principal amount accumulated to but not including the payment date; e) to satisfy the tax portion of the mortgage payment (if applicable); and f) to reduce the principal amount. However, if you do not meet any of your obligations under the mortgage, we may apply your payment or any other money we receive towards any part of the outstanding loan amount we choose. You may pay arrears of interest by separate payment as your regular payment will not be applied to such interest. The amount of interest in arrears may be obtained by contacting us.

9. YOUR PREPAYMENT RIGHTS (Applicable to all Mortgages)

- (a) If the term of the mortgage is greater than five years and you are not a corporation, or if this is a CMHC or GEMI insured mortgage which covers a rental housing project as defined in the *National Housing Act*, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and if so, you agree to pay us the outstanding principal amount and interest to the date of payment and three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (b) If you have a CMHC or GEMI insured fixed rate closed mortgage which does not cover a rental housing project as defined in the *National Housing Act* and the term of the mortgage is greater than five years, you may prepay the principal amount of the mortgage at any time after the end of the fifth year of the term, and in such case you agree to pay us, in addition to the principal and interest to the date of payment, three months' further interest at the rate specified in the registered document on the principal amount in lieu of notice.
- (c) If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes, then you have no prepayment rights.

- (d) If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you have the following prepayment rights, depending on the type of mortgage you selected:

9.1 CONVERTIBLE MORTGAGES

- (A) If you have an Adjustable Rate Mortgage - Prime Minus or Adjustable Rate Mortgage - Designer:

(i) **PREPAYMENTS:**

When not in default, you shall have the privilege of paying additional amounts of principal, without notice or bonus, on any payment date. Such additional payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof.

Any amount of prepayment made in excess of the above 20%, will be subject to an administration fee equal to the equivalent of two months' interest on the amount being prepaid calculated using the then current mortgage rate as provided herein or any renewal or amending agreement applicable thereto during the first three years. The mortgage is fully open to prepayment in years 4 and 5 with no administration fee.

(ii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the amount of your regular principal and interest payment to any amount provided that the amortization period of your mortgage is not reduced to less than five years. You may also decrease the amount of your regular principal and interest payment provided that the resulting amortization period does not exceed the original amortization period less the time that has elapsed since you took out the mortgage. You may increase or decrease the amount of the monthly principal and interest payment as set out above once during any 12-month period following the interest adjustment date or anniversary thereof.

(B) **If you have an Open Adjustable Rate Mortgage:**

(i) **PREPAYMENTS:**

When not in default, you shall have the privilege of paying all or any part of the principal amount outstanding on your Open Adjustable Rate Mortgage without notice, bonus or penalty, on any regular mortgage payment date.

(C) **If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12:**

(i) **SALE CLAUSE:**

The mortgage may be paid out in full at any time, upon a bona fide arm's length sale of your property with supporting documentation, upon payment of an administration fee equal to 1% of, the amount of the outstanding principal balance plus any interest or other amounts owing up to the date of discharge.

(ii) **PARTIAL PREPAYMENT:**

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage if you have an Auto 12 Plus or Convertible 12 Mortgage or 10% if you have an Auto 6 Plus or Convertible 6 Mortgage, during either the original term or during any renewal term of this mortgage.

This privilege is non-cumulative and is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) **MONTHLY PAYMENT ADJUSTMENT:**

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, except for Auto 6 Plus and Convertible 6 Mortgage, where the amount cannot exceed 15%, once during any 12 month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12-month period following the interest adjustment date or anniversary thereof provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iv) **FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY OTHER THAN ON A SALE:**

This mortgage is closed during its original term and during each renewal term. The only prepayment of principal which will be accepted during that period are those as outlined above.

9.11 FIXED RATE MORTGAGES

- (A) If you have a fixed rate term mortgage with a term of 2-years or longer (except a Basic Mortgage):

(i) PARTIAL PREPAYMENT:

When not in default, you shall have the privilege of prepaying partial amounts of principal, with no penalty, on any payment date. Such partial payments must each be in a minimum amount of \$100, and shall not total in excess of 20% of the original amount of the mortgage during any 12 month period following the interest adjustment date or each anniversary thereof. This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(ii) MONTHLY PAYMENT ADJUSTMENT:

When not in default, you shall have the privilege of increasing the monthly payment on account of principal and interest as set out herein, in an amount not to exceed 25% thereof, once during any 12-month period following the interest adjustment date or anniversary thereof. This privilege is on a non-cumulative basis. It is understood that the monthly payment may never be less than the original principal and interest payment. You may also decrease the amount of your regular principal and interest payment once during any 12-month period following the interest adjustment date or anniversary thereof provided that the resulting amortization period does not exceed the original amortization period less the amount of time that has elapsed since you took out the mortgage.

(iii) FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:

Subject to paragraphs 9 (a) and 9 (b) above, you may prepay the principal amount of the mortgage in full or in part, without notice upon payment of an administration fee equal to the greater of:

- Three months' interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option, on the principal amount in lieu of notice; or
- The amount, if any, by which interest at the rate specified in the registered document or if renewed or early renewed at the rate for your chosen renewal option exceeds interest at the current reinvestment interest rate, calculated on the principal amount prepaid by you, for the remaining term of the mortgage or renewal term. The "current reinvestment interest rate" at the time of prepayment means the rate at which we would lend to you on the security of a similar mortgage of your property for a term starting on the date of prepayment and ending on the balance due date of the mortgage.

(B) If you have a Basic Mortgage:

(i) CLOSED MORTGAGE:

The mortgage is closed for the first three years following each of the original interest adjustment date or the interest adjustment date of any renewal hereof. The only prepayments of principal which will be accepted during that period are as outlined below in clause (iii) - Full Payment and Discharge Prior to Maturity and clause (ii) - Partial Prepayment.

(ii) PARTIAL PREPAYMENT:

When not in default, you shall have the privilege of prepaying up to 10% of the original principal amount of your mortgage, once per year on the anniversary of the interest adjustment date together with an administration fee. The administration fee is calculated as the equivalent of 3 months' interest on the amount of the prepayment calculated using the interest rate as set out in the registered document or any renewal or amending agreement applicable thereto. This privilege is only available if the mortgage is continuing in force and is not applicable in part to any payment in full of the mortgage.

(iii) FULL PAYMENT AND DISCHARGE PRIOR TO MATURITY:

The mortgage may be paid out in full and a discharge granted only after the later of the third anniversary of the original interest adjustment date or the third anniversary of any renewal hereof upon payment of the outstanding principal balance plus interest and any other amounts owing together with an administration fee. The administration fee is calculated as the equivalent of three months' interest on the outstanding principal balance calculated using the interest rate applicable as per the registered document or any renewal agreement thereto.

10. INCREASE AND BLEND (Not applicable to Auto 6 Plus, Convertible 6, and Variable Rate Mortgages)

Provided that our mortgage approval criteria, including those as to the borrower and the mortgage terms are met, you have the privilege of increasing the principal amount secured and/or extending the term of the mortgage at a rate of interest blended to reflect the existing mortgage rate, the prevailing rates, prepayment privilege fees and administration fees, if any.

11. EARLY RENEWAL (Applicable to Fixed Rate Mortgages)

In the event that the mortgage is amended to extend the term hereof, the date of the mortgage for the purpose of the application of *Section 10 of the Interest Act (Canada)* or any similar Federal or Provincial legislation permitting prepayment, shall be conclusively deemed to be the first day of the last extension of time for payment and the mortgage as amended shall not, at any time or times, be subject to prepayment, in whole or in part, save as may be herein provided.

If your property contains more than four living units or if your property is used in whole or in part for commercial, industrial or other non-residential purposes or if you have a 5 year term uninsured mortgage, then you have no right of early renewal.

If you have complied with all your obligations under the mortgage and your property either contains no more than four living units or is a single residential condominium unit, then you may renew the mortgage before the balance due date set out the registered document. You must apply in writing to use this right of early renewal. You will be able to renew the mortgage by selecting from the mortgage options and programs that we offer at the time that you apply for early renewal and you must sign a mortgage amending agreement/early renewal agreement acceptable to us which will contain all amended terms, conditions and provisions of the mortgage. The interest rate payable by you will be our interest rate for the mortgage option and/or program selected by you in effect at the date that you sign the mortgage amending agreement/early renewal agreement. You agree to pay us any processing or administration fees to early renew, together with any accumulated interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal expenses with respect to the renewal documentation and its registration.

12. AUTOMATIC RENEWAL OF MORTGAGE

I If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage: When not in default and further provided that you have maintained a satisfactory payment record, the mortgage shall automatically renew at the end of its original 6 or 12-month term and at the end of each subsequent 6 or 12-month renewal term into a new 6 or 12-month term, depending on the length of the original term. The rate charged during each renewal term would be the lower of our posted rate on the renewal date for this type of mortgage or the guaranteed renewal rate. We will mail a notice of the Guaranteed Renewal Rate to you 30 days prior to the end of the original term and of each renewal term of the mortgage. You may, at your sole option, terminate this automatic renewal clause and pay out the mortgage in full at the end of any term by notifying us of your decision to do so at least 15 days prior to the end of that term.

II If you have a mortgage with original term greater than 12 months: You agree to either pay the monies owing under the mortgage on the maturity date set out in the registered document or, if a renewal agreement has been provided, return the executed renewal agreement on or before the maturity date, failing which both you and we agree that the mortgage shall be deemed to be renewed as an Auto 6 Plus Mortgage/Convertible 6 Mortgage on the terms and conditions set out in the renewal agreement.

13. MORTGAGES WITH DEPOSITS

If required pursuant to the terms of your mortgage loan, you shall deposit funds as a mortgage security deposit. You authorize us to deduct the deposit from the principal amount advanced. You will earn interest on this deposit amount at the 30-day deposit rate of the Canadian Imperial Bank of Commerce. The deposit must be advanced within 120 days from the date of funding. If this is not done, you authorize us to apply the deposit on account of the mortgage principal and the monthly payment will be adjusted to reflect the lower principal balance. Interest will not be paid if the deposit is not released to you. You agree to sign an amending agreement which is to be registered on title to your property.

14. CONVERSION OPTION (Applicable only to Adjustable Rate Mortgages, Auto 6 Plus, Auto 12 Plus, Convertible 6, and Convertible 12 Mortgages)

I. If you have an Adjustable Rate Mortgage:

Provided your property is owner occupied, the mortgage can be converted to one having a fixed rate of interest, equal monthly payments and for any term of three years or longer then being offered by us for *National Housing Act* insured loans. If your property is a rental property, a maximum conversion term of 5 years will be available. There will be no charge for converting.

II. If you have an Auto 6 Plus, Auto 12 Plus, Convertible 6 or Convertible 12 Mortgage:

The mortgage, at your option, may be converted, by amendment thereof, without charge, to a term in excess of 1-year then being offered by us. The rate applicable to the mortgage as amended will be our then posted rate for the term selected.

To exercise the conversion privilege in either I or II above, written notice signed by you must be delivered to our Mortgage Servicing Division. The interest rate will be the current posted rate for the term selected. The new payments at the new interest rate will commence on the next scheduled payment date or the immediately following payment date as determined by us. Upon conversion, the provisions of paragraph 9.1 will no longer apply to the mortgage as amended. An executed Amending/Modification Agreement may be requested, by us, but the written notice to us will be binding upon you and we shall be entitled to rely on it.

15. CERTAIN PROMISES YOU MAKE TO US

(a) You certify and agree with us that:

- (i) you will pay the loan amount as required by the mortgage, will pay property taxes assessed against your property to us or the tax office as applicable and will comply with all other obligations of the mortgage
- (ii) unless you are the tenant or lessee of your property, you are the lawful owner of your property and there are no encumbrances affecting title to your property.
- (iii) you have the right to give us the mortgage.
- (iv) there are no limitations affecting title to your interest in your property except for any restrictions registered in the land titles office and except for building and zoning by-laws, with which you have complied.
- (v) to the best of your knowledge and belief, after reasonable enquiry and investigation.

- no part of your property or of any adjoining land is, has ever been or will in the future be used to manufacture, refine, handle, treat, store, dispose of or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders; and
- no part of your property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of or adversely affect the marketability of your property.

We may (but are not obligated to) require you, at your expense, to obtain an environmental audit of all or any part of your property, which environmental audit shall be satisfactory to us, but such audit does not relieve you from your obligations under this paragraph;

- (vi) you will, at your expense, sign any other document or take any further action which we may, in our opinion, think necessary to ensure that all your interest in your property has been fully charged to us and that the loan amount is adequately secured;
- (vii) if you default in any of your obligations under the mortgage, we will have possession of your property without any encumbrances or interference;
- (viii) you will take any action necessary to protect your title to your property, and will not in any way interfere with our interest in your property.

(b) If you are a tenant or lessee of your property, you also certify and agree with us that:

- (i) your property is leased to you under a valid lease, a copy of which you have given us and that you have good leasehold title to your property;
- (ii) all rents and other moneys payable under the lease have been paid and you have complied with all of your other obligations set out in the lease, in both cases up to the date you sign the mortgage;
- (iii) you have the consent of your landlord or lessor, or you have the right without his consent, to charge your interest in the lease to us;
- (iv) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land titles office and except for building and zoning by-laws, with which you and your landlord have complied;
- (v) you will pay rents and other payments required by the lease as they fall due;
- (vi) you will comply with all your other obligations set out in the lease;
- (vii) you will not surrender the lease or cause it to be terminated;
- (viii) you will not make any change in the lease without first obtaining our written consent;
- (ix) you will promptly give us a copy of any notice, demand or request which you may receive relating to the lease;
- (x) you will, at your expense, sign any other document or take any further action as we may think necessary, in our opinion, to ensure that all your interest in your property and in the lease has been fully charged to us and that the loan amount is adequately secured;
- (xi) you will indemnify us against all actions, claims, costs and demands should you default under your lease;
- (xii) you will hold your property for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph 15(b)(xi), as you already have under other provisions of the mortgage and at law;
- (xiii) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the mortgage, particularly those referred to in paragraph 27 (a)(iv), then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the property and for that person's legal and personal representatives and successors;
- (xiv) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the property as we may require to perfect any sale we may make under paragraph 27 and, in particular, under paragraph 27(a)(iv);
- (xv) we may remove you or any other person as trustee of the trust referred to in this paragraph 15(b)(xii) and appoint a new trustee or trustees.

16. DEMOLITION AND ALTERATIONS

- (a) You agree not to demolish any building or structure or part of any building or structure on your property without first obtaining our written approval and not to make any substantial alterations, additions or improvements to your property without first obtaining our written approval to your proposed plans and specifications.

- (b) The above work must be completed, as quickly as possible, in accordance with all governmental requirements and building standards that apply to your property, at your expense, and you will provide us with proof of payment and compliance with governmental requirements and building standards when requested. You must retain all required holdbacks. We may obtain an order vacating any construction lien and, if we think it necessary, provide financial guarantees or other security to obtain such order. All our expenses, including any charges for providing financial guarantees or other security, are immediately payable by you to us and if you do not pay them, we will add them to the loan amount.

17. **INSURANCE (Paragraph 17 does not apply if your property is a single residential condominium unit)**

- (a) You must insure and keep insured all buildings, structures, fixtures and improvements on your property for not less than their guaranteed replacement value in Canadian dollars until the mortgage has been discharged. The risks against which you must insure include loss or damage by or from fire with extended perils coverage and by and from such additional perils, risks or events as we may at any time require. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable apparatus are operated on your property then you must also insure and keep insured, until the mortgage has been discharged, against loss or damage by explosion of, or caused by, any such apparatus and against loss or damage caused by the sprinkler system.
- (b) All insurance policies must be carried with a company or companies satisfactory to us and contain mortgage clauses approved by The Insurance Bureau of Canada or by us confirming that loss proceeds are payable firstly to us, and we will have the first right to receive and to have a lien on the loss proceeds. You must, upon our request, let us have certified copies of every insurance policy and, not less than 15 days before any policy expires, evidence of its renewal.
- (c) We may, but are not required to, place and pay for any insurance policy if you fail to do so. Any premiums or sums of money, which we pay for insurance, will be immediately payable by you to us or added to the loan amount if not so paid and bear interest at the rate specified in the registered document.
- (d) If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. Production of the mortgage will be sufficient authority for the insurance company to pay any loss to us and the insurance company is hereby directed to pay the same to us. Insurance proceeds may, at our option, in whole or in part be:
- (i) used to repair or rebuild your property;
 - (ii) paid to you; and/or
 - (iii) used to reduce any part of the loan amount, whether due or not, and including an amount to compensate us for loss of interest.

18.

PROPERTY TAXES

- (a) "taxes" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates, interest and penalties.
- (b) Before or on the interest adjustment date, we may withhold from any advance under the mortgage any amount we feel necessary to pay or to anticipate future payments of taxes.
- (c) After the interest adjustment date, you agree to pay to us, on each date on which a regular mortgage payment of principal and interest is payable, the applicable tax instalment, based on the estimated annual taxes and anticipated future payments of taxes (as determined by us) that will be payable for the year following such regular mortgage payment date.
- (d) If you wish to take advantage of any discount or to avoid any penalty in connection with the payment of taxes, you will pay to us an appropriate amount in addition to the amount referred to in paragraph 18(c). If the taxes on your property in any calendar year exceed our estimate, you will pay us the difference on demand. You agree to send us all tax bills and other notices or communications relating to taxes as soon as you receive them, failing which you will repay to us the cost of obtaining such documentation and, if not paid, we will add such cost to the loan amount. We do not have to hold any moneys which you send us under this paragraph 18 in trust, nor pay interest on them, nor apply them to pay taxes more than once a year. If you do not comply with any of your obligations under the mortgage, we may, if we wish, apply any moneys which we have received under paragraph 18 to any portion of the loan amount.
- (e) Notwithstanding the provisions of this paragraph 18 we may, at our option, choose not to require payment of taxes to us, in which case you will be responsible for payment of all taxes on your property. You will provide us with all the receipted tax bills by the end of each calendar year, failing which you will repay to us the cost of obtaining such receipts and, if not paid, we will be add such cost to the loan amount. If, for any reason, you do not pay the taxes when required, then paragraphs 18 (a) through (d) will apply.

19.

REPAIRS

- You must keep your property in a good condition and state of repair and carry out all necessary repairs and must not do, or let anyone else do, anything which lowers the value of your property
- You will comply with every present and future statute, by-law, ordinance, regulation and order affecting the condition, repair, use or occupation of your property
- If, in our opinion, you do not keep your property in a good condition and state of repair or do, or allow anything to be done, which lowers its value or do not comply with any of your obligations under this paragraph 19, then we can make whatever repairs are, in our opinion, necessary. The costs of repairs and of any inspections are payable by you immediately and if not paid will be added to the loan amount
- You authorize us to enter your property at all reasonable times to inspect and repair, but we will not become a mortgagee in possession by exercising these rights

20. NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance to you all or any part of the principal amount referred to in the registered document then we do not have to do so. This applies even if the mortgage has been signed and registered and whether or not any part of the principal amount has previously been advanced. Even so, by signing the mortgage you have charged all of your interest in your property to us and you will pay us, on demand, all of our costs, including lawyers' fees (on a solicitor and client basis) and expenses, for investigating title to your property and for preparing and registering the mortgage.

21. LEASES AND RENTS

- (a) If your property is intended to be used as owner-occupied residential premises you certify and agree that no part of your property is rented or occupied by a tenant and you also agree not to rent, lease or enter into a tenancy agreement of any part of your property or renew any lease (other than a renewal provided for in any lease) without obtaining our approval first, which we may refuse to do at our option. You agree to keep us informed of the status of occupancy.
- (b) If your property is a rental property and we have consented to such rental, you hereby assign to us all leases, lease agreements and their renewals, whether presently existing or arising in the future; all rents payable under such leases and agreements; and all rights thereunder as they affect your property. You must obtain our prior written approval for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease).
- (c) If you lease in the future any part of your property to another person or persons with our written approval then, upon our request, you will:
 - execute and deliver to us an assignment in registrable form acceptable to us of all leases, lease agreements and their renewals, rents payable under such leases and agreements, and all rights thereunder as they affect your property. The assignment may, at our option, include a provision for estoppel certificates from tenants and/or specific assignments of leases; and
 - give us security on chattels, fixtures and equipment as we may reasonably require.

You must pay all of our expenses, including legal fees and registration costs, relating to such additional security.

- (d) If you do not comply with any of your obligations or you breach any of your certifications under this paragraph 21, then at our option the loan amount will immediately become due and payable. In this case, we may pay to any tenant such amount as is required to obtain the co-operation of the tenant in showing and selling your property and obtaining possession from the tenant. You agree that the payment of such an amount will be a cost of realization of our security and will be added to the loan amount. You appoint us as your attorney and agent to enforce the terms of any lease or agreement entered into by you and to cancel or terminate any lease or agreement.
- (e) Nothing we do under this paragraph 21 will put us in possession of your property and we are not obliged to collect any rent or income from your property or to comply with any term of any lease or agreement.
- (f) Rental of any part of your property without our written approval shall be considered to have been done to discourage us from taking possession of your property if you are not complying with any of your obligations under the mortgage or adversely affecting the value of our interest in your property within the meaning of section 52(1) of the *Mortgages Act*, R.S.O. 1990, C.m.40 (as amended or replaced).

22. ACCELERATION OF REPAYMENT OF LOAN AMOUNT

The loan amount will immediately become payable, at our option, if:

- (a) you do not make any payment required by the mortgage;
- (b) you do not comply with any of your other obligations under the mortgage;
- (c) we discover that any statement, certification, representation or agreement you have given or made to us in applying for the loan or in the mortgage (including without limitation those contained in paragraph 15) is untrue;
- (d) we receive notice of any construction lien, conditional sale agreement, notice of security interest or other lien registered on title to your property;
- (e) any buildings being erected on, or additions, alterations or improvements done to, your property remain unfinished without work being done on them for a period of ten consecutive days; or
- (f) your property is abandoned.

We have the right to forgive any particular default by you but if we do so we are not forgiving any other existing default or one or more which may occur in the future.

23. BUILDING MORTGAGE

If the mortgage is used to finance an improvement (meaning any construction or installation on your property or any alteration, addition or repair to any building or structure on your property), you agree to make the improvement only in accordance with plans and specifications which we have approved and to complete the improvement as quickly as possible.

Subject to paragraph 20, we may make advances to you under the mortgage based on progress in completing the improvement or upon its completion or, in the case of a building, its occupation or sale.

Whatever the purpose of this mortgage, we may retain funds from any advance or advances until we are completely satisfied that the holdback provisions of the *Construction Lien Act*, R.S.O. 1990, C.c.30 (as amended or replaced)

have been complied with. You authorize us to give information about the mortgage to anyone who claims a construction lien on your property.

24. **RELEASING YOUR LAND FROM THE MORTGAGE**

At our option, we may release our interest under the mortgage in all or part of your property, whether or not we receive any value, and be accountable to you only for money which we actually receive. If we release our interest under the mortgage in only a part of your property, the remainder of your property will continue to secure the loan amount, and your obligations, and those of any guarantor, under the mortgage will continue unchanged. If your property is subdivided, each part of your property will secure payment of the loan amount.

25. **RENEWING OR AMENDING THE MORTGAGE** (This paragraph is important to all persons having subsequent interests)

At our option, the mortgage may from time to time be renewed, extended or amended by written agreement(s) with you, with or without any increase in the interest rate. It will not be necessary for us to register the written agreement on title to your property in order to retain priority for the mortgage, as renewed or amended, over any other instrument registered after the mortgage whether or not there are any other instruments registered on title to your property after the mortgage at the time any written agreement is entered into. The entering into of any written agreement by us with any borrower and with any other person liable to pay the loan amount will not release or affect the liability of anyone who does not sign such written agreement.

26. **CERTAIN ACTIONS WE CAN TAKE**

We can, if we think it is necessary, pay off any encumbrances, claims or liens which have priority over the mortgage. Also, we can pay all expenses which we incur in collecting any payment under the mortgage which you did not make when due and in enforcing your other obligations. You must immediately reimburse us for all such payments and expenses.

If you are a tenant or lessee, under a lease of your property, we can cure any defaults existing under your lease and you must immediately reimburse us for all payments and expenses which we incur in so doing. If you do not comply with any of your obligations under the mortgage, we can, but are not obliged to, perform those obligations. Where you are a tenant or lessee of your property and you refuse or neglect to renew your lease when it gives you that right, we can do so and every renewal shall be subject to the mortgage. You must immediately reimburse us for all payments which we have to make and costs which we incur in taking these steps.

Any payments we make under the mortgage will be added to the loan amount and such payments will be charged interest at the rate specified in the registered document from the date we pay them. Any interest which accrues as a result of changes requested by you to frequency of payments or to the regular payment date will be paid by you or added to the loan amount and charged interest at the rate specified in the registered document.

If we have not received a solicitor's final report and certificate of title within sixty days of the final advance of funds under the mortgage, we are entitled to retain another solicitor of our choice to provide such opinion at your expense.

27. **ENFORCING OUR RIGHTS**

- (a) **Remedies** - If you do not make any payment when required under the mortgage or do not comply with any of your other obligations under the mortgage, we may enforce any one or more of the remedies listed below in any order.

Our remedies are:

- (i) **Sue you** - We may take such action as is necessary to collect the loan amount.
- (ii) **Foreclosure or Sale** - We may take court proceedings to foreclose your right, title and equity of redemption to your property. If we obtain a final order of foreclosure from the court, your property will belong to us. We may also ask the court to order the sale of your property under its supervision. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.
- (iii) **Lease Your Property** - If your default continues for 15 days, we may, on 15 days' notice to you, enter on and lease your property; if your default continues for 30 days we may, without notice to you, enter on and lease your property. We may apply the net proceeds of any lease to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (iv) **Power of Sale** - If your default continues for 15 days we may, on at least 35 days' written notice to you as required by Part III of the *Mortgages Act* enter on and sell your property or any part of your property. Any sale can be for cash or on credit, or partly for cash and partly on credit, by private sale or public auction and on such terms as can be obtained. We may apply the net proceeds of any sale to reduce any part of the loan amount. If the net proceeds do not pay the loan amount in full, you must pay us the difference.
- (v) **Enter on Your Property** - We can enter on your property at any time, without your permission, and make any necessary arrangements to inspect, collect rent, manage, repair or complete construction. Any costs we incur will be added to the loan amount.
- (vi) **Appoint a Receiver** - We can appoint, in writing, a receiver (which includes a receiver and manager) to collect any income from your property. The receiver will be your agent, not ours, and you alone will be responsible for any of the receiver's acts or omissions. We are not accountable to any moneys received by the receiver except to the extent that we actually receive any such moneys. The receiver may use every available remedy which we have under the mortgage to collect the income from your property, take possession of the whole or part of your property, manage your property and keep it in good condition. From the income collected, the receiver will pay all rents, taxes, rates, insurance premiums and other expenses required to

keep your property in good condition; pay his own commission as receiver; pay all amounts required to keep any encumbrances ranking in priority to the mortgage in good standing; pay interest owing under the mortgage; and pay all or any part of the loan amount whether it is due or not.

- (vii) **Cure Any Defaults** - We can cure any defaults under the mortgage, at your expense, and generally take any other steps or proceedings against you as permitted by the laws of Ontario and of Canada.

- (b) **Non-Interference** - If, in enforcing our remedies, we take possession of your property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your property may be leased or sold, and you will not make any claim against any person to whom your property may be leased or sold.

- (c) **Our expenses** - All of the expenses which we incur in enforcing any of our remedies are payable by you immediately when we require them. These expenses include our legal fees on a solicitor and client basis, all other costs we have to pay to protect our interests and to enforce any of our remedies under the mortgage and a reasonable allowance for the time and services of our employees and those of Canadian Imperial Bank of Commerce.

- (d) **Delay in Enforcement** - Our rights will not be affected if we delay in enforcing any of our rights under the mortgage or give you or anybody else an extension of time. We may still insist on you making all payments on time and complying with your obligations, require payment of the loan amount if you are in default and require any other person, including a guarantor, who has obligations to us under the mortgage to meet those obligations. If you do not make any payment of the principal amount as required by the mortgage, we are not obliged to accept subsequent payment unless you also give us interest to the date of subsequent payment.

- (e) **Judgments** - If we obtain any court order or judgment against you in any action to enforce our remedies, the judgment will not prevent us from pursuing our other remedies or rights to enforce your other obligations under the mortgage, including our right to receive interest as required by the mortgage.

28. CONDOMINIUM

(If your property is a condominium unit, you must also comply with paragraph 28 in addition to all other provisions of the mortgage. You do not, however, have to comply with paragraph 17.)

The corporation created by the registration of a declaration under the *Condominium Act*, R.S.O 1990, C.c.26 (as amended or replaced) is called the "condominium corporation".

- (a) **Compliance with the Condominium Act, etc.** - You will comply with the *Condominium Act* and with the declaration, by-laws and rules and regulations of the condominium corporation as they exist from time to time.

- (b) **Payment of Amounts and Common Expenses** - You will pay all amounts required by the *Condominium Act* and by the declaration and by-laws of the condominium corporation on or before they are due and, if we request, give us proof that you have done so. You must pay common expenses. If you do not make any payments which you are obligated to pay, we may do so on your behalf and you will be in default under the mortgage.

- (c) **Notices and Demands** - You will mail to us by prepaid registered mail, or deliver to us, copies of every notice, assessment, claim or demand for payment, rule or regulation, request or demand of us to consent to any matter, and every other communication relating to your unit or the common elements of the condominium corporation so that we receive them at least 5 days before any claim or demand is payable or, in the case of other communications, within 5 days of the date you receive them.

(d) Voting Rights -

- (i) You authorize us, in your name and on your behalf, and whether or not you are in default, to exercise your rights under the *Condominium Act* to vote at any meeting of the condominium corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the condominium corporation or the termination of the application of the *Condominium Act* to the condominium corporation.

- (ii) We may wish not to use our rights to vote or consent and if we do not wish to do so, we may notify the condominium corporation, in which case you can vote or consent yourself. Our wish not to vote or consent can be for a limited time or for a particular meeting or matter. When we do vote or consent for you, we do not then become a mortgagee in possession and are not responsible to protect your interests nor for the way we vote or consent or fail to do so.

- (e) **Acceleration of Repayment of Loan Amount** - At our option, the loan amount will become payable immediately if:

- (i) government of the property of the condominium corporation under the *Condominium Act* is terminated;
- (ii) a vote of the unit owners authorizes the sale of the property of the condominium corporation or of a part of its common elements;
- (iii) the condominium corporation fails to comply with the *Condominium Act*, declaration, by-laws or rules and regulations;
- (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against for full replacement cost;
- (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or

- (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have or fails to do all that is necessary to collect insurance proceeds.

(f) **Insurance** - Under the *Condominium Act*, the condominium corporation must obtain appropriate insurance. In addition, you must insure all improvements which at any time have been made to your property against loss or damage by fire and, as well, against such additional risks as we may require. We must approve the insurance company or companies. You and the condominium corporation or both assign and transfer the policy or policies of insurance and receipts thereof to us and if you or the condominium corporation or both fail to keep the buildings and improvements insured or provide us at least fifteen days before the termination of any insurance, evidence of renewal, we are entitled but not obligated to insure the buildings or improvements. You must, if we ask for them, give us certified copies of every insurance policy. If any loss or damage occurs, you will immediately, at your expense, do everything necessary to enable us to obtain the insurance proceeds. These proceeds, as may be permitted by law, may, at our choice, in whole or in part be applied to repair the damage, be paid to you or be applied to reduce any part of the loan amount whether or not yet due.

The obligation to insure may be performed by the condominium corporation and the proceeds of insurance may be payable in accordance with the declaration and by-laws of the condominium corporation. You promise that, in the event of loss or damage, you will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration and by-laws and that, as a member of the condominium corporation, you will insist that the condominium corporation fully complies with these terms.

29. DUE ON SALE AND RELEASE

If you transfer title to your property, or agree to do so, to anyone without first obtaining our written approval, the loan amount will at our option, immediately become payable in full. Any payment which we accept from any person whom we have not first approved in writing will not mean that we have granted our prior written approval or that we have given up our right to require you to pay the loan amount in full.

You agree to give us sufficient information to enable us to decide whether we should give our written approval and upon receiving sufficient information, we will make our decision as soon as possible. We will not withhold our approval unreasonably.

We release you from your obligations under the mortgage and to pay the loan amount, and, if applicable, we release any guarantors from their guarantee if:

- (i) we give our written approval to you to transfer your property;
- (ii) the transfer is to a person or persons other than yourself so that you will not retain any ownership interest in your property after the transfer takes place; and
- (iii) you provide us with a copy of the registered Transfer/Deed of Land to the approved person or persons together with a guarantee agreement(s) (if required by us).

30. ASSUMPTION

If you are not the original borrower, you agree to be bound by all obligations of the original borrower under the mortgage.

31. INSPECTION

If we, CMHC or GEMI (if this is a CMHC or GEMI insured mortgage), or our respective agents have reason to believe that your property is not in conformity with any federal, provincial or municipal law or regulation respecting the environment, you agree that we, CMHC, GEMI or our respective agents may, at any time, before or after default, enter and inspect your property and conduct any environmental testing, site assessment, investigation or study which we, CMHC or GEMI consider necessary. The reasonable cost of this testing, assessment, investigation or study, with interest at the mortgage rate, will be immediately payable by you and shall be a charge on your property. We, CMHC or GEMI and our respective agents will not become a mortgagee in possession, management or control by exercising these rights.

32. EXPROPRIATION

If your entire property is expropriated, the loan amount will immediately become due and payable together with loss of interest.

If only a part of your property is expropriated, the amount you are awarded for the partial expropriation will be paid to us and we will credit it to the loan amount. If, in our opinion, the remainder of your property does not constitute adequate security for the loan amount, then the loan amount, or such part of the loan amount as we determine, will immediately become due and payable together with loss of interest.

33. GUARANTEE

In return for us having made a loan to the borrower (which in the mortgage includes the borrower's successors and assigns), each person who signs the mortgage as guarantor agrees with us, as principal debtor and not as surety, to pay to us the loan amount as and when required by the mortgage and to observe and perform all other obligations of the borrower under the mortgage. Each guarantor, if there is more than one, will be jointly and individually liable with the borrower and with each other for complying with all obligations under the mortgage. We may, at any time and from time to time, without the consent of or notice to any guarantor, give any extension of time for payment (including renewals), deal with any additional security, give releases or discharges, vary, increase or decrease the interest rate, amend the terms of the mortgage and generally deal with all matters affecting the mortgage and the obligations of the borrower's without in any way affecting the guarantee or the obligations of any guarantor. We may require payment from any guarantor before we attempt to obtain a payment from the borrower, and all obligations of any guarantor shall also be those of the guarantor's successors or personal representatives, and will not be altered by the bankruptcy of the borrower or any guarantor.

34.

RESERVATION OF RIGHTS

You understand that any material change in the conditions of the mortgage such as an extension of time for payment or change in the interest rate, will not lessen the obligations of any person who does not join in such amending agreement.

35.

DISCHARGE OF MORTGAGE

Upon maturity or early full payment of this mortgage, a discharge or assignment, if requested by you, will only be delivered upon full payment being received by us in accordance with our latest issued and current discharge statement. For purposes of calculating per diem interest on a discharge, funds received after 3:00 p.m. on any business day shall be deemed to have been received on the next following business day. We further reserve the right to refuse a discharge or transfer of this mortgage until any charges or returned cheque amounts arising after the discharge statement is issued are also fully paid to us.

You will pay our usual administrative fee for preparing and signing the discharge or assignment and all legal and other expenses, whether the discharge or assignment is prepared by your lawyer, by ours or by us. It is your responsibility to register the discharge or assignment on title and to pay the registration fee. If electronic registration is available for your mortgage, we may register the discharge on your behalf and will provide either you or your solicitor (as applicable) with confirmation of registration.

36.

FEES

You agree to pay us, when due, our then current administration and processing fees in connection with the preparation of any assumption statement, discharges, amending or other agreement, statements for information purposes, payment frequency changes, any fees referred to in paragraph 7(e), replacement of cheques where payment has been refused due to insufficient funds or for any other reason in respect of the administration of your mortgage and to add such fees, if unpaid, to the loan amount, which unpaid fees will be charged interest at the interest rate required by the mortgage.

The amount of such fees in effect at any particular time is available by contacting us.

37.

PORTABILITY

If you have complied with all your obligations under the mortgage, upon written application by you, the bona fide arms length sale of your property and the purchase by you of another property (the "new property") within 90 days of such sale, we will provide financing for your purchase on the security of a mortgage (the "new mortgage") registered on title to the new property, provided that

- (a) on the date of completion of the sale of the property, an amount sufficient to pay the principal amount outstanding, together with interest to date of the new mortgage and any administration fees according to the prepayment provisions described in paragraph 9 above that apply to the mortgage will be held by our solicitor in trust to be released upon registration of the new mortgage within the 90-day period;
- (b) if the new mortgage is not registered within 90 days of such sale, the amount referred to in (a) above, will be applied to prepay the mortgage in full and to pay any administration fees required in respect of this prepayment;
- (c) You will continue to make regular mortgage payments as referred to in paragraph 7;
- (d) The mortgage must be transferred to the new property with no changes in outstanding balance, interest rate, terms or any other conditions applicable herein; and
- (e) our mortgage approval criteria, policies, procedures and documentation requirements in effect at the time you make your application for the new mortgage will apply to your application and must be met, including the CMHC or GEMI mortgage insurance requirements, if applicable, and you will be responsible for paying all applicable processing or administration fees, all legal and appraisal fees, CMHC or GEMI insurance premiums, and other expenses incurred in connection with the new mortgage.

38.

FAMILY LAW ACT

You certify to us that all information which you gave us about your marital status and your property when applying for the loan secured by the mortgage, and the statements made herein and in the registered document were and are completely truthful and accurate under Part II of the *Family Law Act*, R.S.O., 1990, C.f.3 (as amended or replaced).

39.

DOCTRINE OF CONSOLIDATION

The doctrine of consolidation will apply to the mortgage and any other mortgage you have granted or will grant to us. This means that if you default under any of your mortgages to us then we can, as a condition of your repaying any mortgage, require that you repay all mortgages.

40.

DATE OF MORTGAGE

You agree that, only for the purpose of defining the date of the mortgage with respect to any statutory right of prepayment, the date of the mortgage will be deemed to be the interest adjustment date set out in the registered document regardless of the date of signature that appears in the registered document.

41.

ONTARIO NEW HOME WARRANTIES PLAN ACT

If the *Ontario New Home Warranties Plan Act*, R.S.O., 1990, C.o.31 (as amended or replaced) applies to your property, you agree to comply with its requirements and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

42. **WHO IS BOUND**

Not only do you agree to be bound by everything, including your obligations, in the mortgage, but your legal and personal representatives and anybody else to whom your property is transferred are also bound. The mortgage is also binding on our successors and assigns and on anybody to whom we may transfer the mortgage.

If more than one person signs the mortgage as borrower, then all persons who sign are jointly and individually liable to comply with all obligations under the mortgage. If any borrower or guarantor is female or a corporation, then the mortgage will be read with all necessary grammatical changes.

43. **PARTIAL INVALIDITY**

If any provision of the mortgage is found to be illegal or unenforceable, the validity or enforceability of all other provisions will not be affected.

44. **PARAGRAPH HEADINGS**

Headings in the mortgage do not form part of the mortgage but are used only for easy reference.

45. **NATIONAL HOUSING ACT**

All CMHC insured mortgages are made in pursuance of the *National Housing Act*.

46. **MAKING MATERIAL CHANGE**

Any agreement to make material changes to the mortgage terms and conditions including, without limitation, any extension of the time for payments, changes in the interest rate or renewals or extensions of the mortgage term will apply not only to those who agree to the changes in writing but also to any person, including any guarantor, who signed the original mortgage agreement but did not agree to the changes in writing.

Dated at Toronto, this 21st day of November, 2001.



Christie A. McNeill

Solicitor for CIBC Mortgages Inc.

**STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE**

Filing No. 200114 Cote
Filing Date Dec 4 2001 Date de Dépôt
Page 1 of 6 Eleven (11) Pages

Page 1

**Variable Rate Charge/Mortgage
(Land Titles Act and Registry Act)**

DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

Land Registration Reform Act

Filed by Scotia Mortgage Corporation

The following set of standard charge terms shall be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act.

1. DEFINITIONS

In this set of standard charge terms, **mortgage** means a Charge/Mortgage of Land (Form 2) in which the set is referred to by its filing number, any schedules attached to it and this set of standard charge terms. You and your mean each person who signs the mortgage as chargor. We, our and us mean Scotia Mortgage Corporation, the chargee. **Your property** means the land described in box 5, all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations and improvements. **Principal amount** means the amount specified in box 4. **Loan amount** means the outstanding balance of all amounts (including interest) owing to us from time to time under the mortgage, as amended from time to time.

Any reference to a box in this set of standard charge terms refers to a box on Form 2 (including anything set out in a schedule to Form 2 which deals with the subject matter of that box) and any reference to signing the mortgage means signing Form 2 or a schedule to it. References to paragraphs refer to paragraphs of this set of standard charge terms.

If this is a CMHC insured mortgage, it is made pursuant to the **National Housing Act**.

2. WHAT THE MORTGAGE DOES

In return for our making a loan to you in the principal amount (which, by signing the mortgage, you acknowledge having received from us), you:

- i) If you are the owner of your property, charge your property to us and our successors and assigns (called our **legal representatives**); or
 - ii) If you are a tenant of your property under a lease, charge your interest in your property (including any option to purchase) to us and our legal representatives, for the entire term of the lease;
- as security for repayment of the loan amount and the performance of all of your other obligations under the mortgage. This means you charge your entire interest in your property to us and to anyone to whom the mortgage is transferred in any way.

Termination of the Mortgage:

Our interest in the property terminates when you have:

- Repaid the loan amount as provided in the mortgage; and
- Complied with all of your other obligations under the mortgage.

3. INTEREST

A. Interest Rate

The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum, equal to our variable rate mortgage base rate plus the number of percentage points per annum specified in box 9(b). Our variable rate mortgage base rate is the rate per annum declared by us from time to time to be our base rate for variable rate first mortgages of residential property in Canada and it is referred to in this mortgage as the base rate.

Interest is calculated monthly not in advance. Interest at this variable rate is payable on the loan amount both before and after the final payment date, default and judgment. The interest rate will vary automatically and will be effective on the first day of the month after the last base rate change. Wherever this mortgage refers to the interest rate payable on the loan amount, that expression means the base rate plus the number of percentage points per annum specified in box 9 (b) calculated and payable as set out above.

The base rate and the interest rate payable on the loan amount at the time the first person signs the mortgage as (set out in box 9 (b)) will remain in effect after you sign the mortgage until they are varied as provided under this paragraph 3A. Paragraph 28 of this set of terms sets out interest rates calculated half-yearly not in advance which are equivalent to interest rates calculated monthly not in advance.

For CMHC insured mortgages: After an increase in the interest rate payable on the loan amount you may prepay the money owing under the mortgage without notice or bonus or administration fee on the following terms. First, your prepayment must include all the money you owe us under the mortgage, except that the interest from the effective date of the increase to the date of the prepayment will be calculated at the interest rate payable on the loan amount immediately before the increase. Secondly, the prepayment must be made within 21 days after the effective date of the increase. If you do not make the prepayment within that period, you will be bound by the increase.

B. How you Can Ascertain the Interest Rate

After each change we will mail a notice showing the new base rate and the date it became effective. The notice will be sent to your last known address shown in our records. However, our failure to mail a notice or the fact that you do not receive it will not prevent the rate from varying. The base rate in effect at any time will be available at any branch of The Bank of Nova Scotia in Canada.

C. Compound Interest

If on any monthly loan payment date you do not make the payment due on that day, we will charge you interest on any overdue portion of the loan amount (including interest) until paid to us. This is called **compound interest**. Compound interest shall be paid on your monthly loan payment dates. We will also charge interest, at the rate payable on the loan amount, on compound interest that is overdue until paid to us, both before and after the final payment date as well as both before and after default and judgment.

D. Deferred Interest

Filing No. 200114

Cote

If the interest that has accrued on the loan amount from one monthly loan payment date (or, in the case of the first payment, from the interest adjustment date) to the next monthly loan payment date exceeds the monthly loan payment, the excess (called **deferred interest**) will bear interest at the interest rate payable on the loan amount. On the next monthly loan payment date the interest on the deferred interest will be added to the deferred interest and become part of it. If the deferred interest is not paid on that monthly loan payment date, it will bear interest at the interest rate payable on the loan amount and that interest will be added to the deferred interest on the next monthly loan payment date, and so on.

4. HOW YOU WILL REPAY YOUR LOAN**A. Currency and Place of Payment**

You shall pay the loan amount to us in Canadian dollars. Your regular monthly loan payments and all other payments will be made at the Branch address set out in box 15, or at any other place we may designate, and are payable as follows:

B. Interest Payable Prior to and on Interest Adjustment Date

Before your regular monthly loan payments begin you will pay us interest, at the rate payable on the loan amount, on all money we have advanced to you up to the interest adjustment date specified in box 9(d) or, at our option, such interest will be deducted from subsequent advances. Interest will be computed from the date of each advance and will become due and payable in monthly instalments on the first day of the month next following the date of each advance and on the first day of each and every month thereafter. The balance, if any, of interest on such advances computed up to the interest adjustment date shall become due and be paid on that date.

C. Payments after the Interest Adjustment Date

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular **monthly loan payments**.

You will make your regular monthly loan payments to us in equal instalments in the amount specified in box 9(h) beginning on the date specified in box 9(f) and continuing on the **FIRST** day of each and every following month and ending on the date specified in box 9(g). Each date that you are required to make a monthly loan payment is called a **monthly loan payment date**.

You will pay the balance of the principal amount, together with all interest due and payable on it, on the date specified in box 9(i) (which is the same as the date specified in box 9(g) and is called the **last payment date**).

D. Application of Monthly Loan Payments

Each monthly loan payment will be used:

- **first**, to pay or reduce the interest (other than deferred interest) that has accrued on the loan amount from (and including the previous monthly loan payment date to (but excluding) the monthly loan payment date on which the payment is made (if the payment is the first monthly loan payment, the interest will be the interest that has accrued from the interest adjustment date);
- **second**, if any of the payment remains, to pay or reduce deferred interest, if any; and
- **thirdly**, if any of the payment remains, to reduce the principal amount outstanding.

Paragraph 27 of this set of terms sets out a method of calculating the interest payable under the mortgage, to help you to determine how much of each monthly loan payment is interest and how much, if any, is principal.

E. Early Payment On Sale or Mortgage

We may require you to pay all the money that you owe us under the mortgage immediately if you sell, transfer, mortgage or charge your property. This provision does not apply to a sale, transfer, mortgage or charge to which we have given our prior written consent.

F. Prepayments

Paying off a mortgage before the maturity date

You may pay off some, or the entire mortgage early, based on the type of mortgage you have. If we later agree to change or extend the terms of the loan, these prepayment conditions do not apply to the new or extended term.

Miss a Payment Option

You may miss any scheduled payment, as long as you have prepaid an amount equal to the amount of the payments you intend to miss in this term and your mortgage is not in default. You cannot however, miss your mortgage credit insurance premium, if applicable. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular monthly loan payments.

If your mortgage does not provide for a maximum interest rate

If your mortgage does not provide for a maximum interest rate and your mortgage payments are up to date, you can pay off some, or the entire principal amount owing, on any regular payment date. If you pay off the entire principal amount owing you must pay an administration fee of \$100 for each year or part of a year remaining in the term.

If your mortgage provides for a maximum interest rate

If your mortgage provides for a maximum interest rate and all your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the three ways listed in the following chart. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12 month period starting on the IAD or the anniversary of that date.

PREPAYMENT OPTIONS			What it Means
How	When		
1. *by paying an extra regular mortgage payment (principal, interest and taxes)	on any regular payment date during the year		your principal mortgage amount will be reduced by that amount
2. *by paying up to 15% of the principal amount of the original amount of your mortgage	at any time, sum total not to exceed the yearly maximum		
3. by increasing your regular monthly mortgage payment by up to 15% of the principal and interest payment set for the term of the mortgage	once each year of the term of your mortgage		

*Only items 1 & 2 qualify for the Miss a Payment option.

Prepayment costs

When you prepay some, or the entire principal of your mortgage, you will incur prepayment costs unless the partial prepayment is in accordance with the prepayment options chart.

The cost to pay off some, or the entire principal amount of your mortgage early is 3 months' interest costs. The interest rate used to calculate the 3 months interest is the maximum interest rate.

Bonus Booster (This Special offer may be withdrawn without notice and applies to 3 yr VRM only)

For mortgage loans under the Bonus Booster program, if the mortgage loan is fully-advanced in the principal amount specified on box 9(a), we will buy down the mortgage principal by 1% or, alternatively, provide an equivalent cashback amount on the following conditions:

A) the bonus amount will be repayable to us if the mortgage loan does not remain outstanding with us for the full 3 year term. If the mortgage is paid out, transferred or renewed to a fixed rate term of 2 years or shorter, prior to the expiry of the original 3 year term, the bonus amount will appear as payable in any discharge statement and will be calculated on a prorated basis as follows:

- 100% of bonus amount if payout/renewal is within the first year of the 3 year VRM term.
- 66% of bonus amount if payout/renewal is within the second year of 3 year VRM term.
- 33% of bonus amount if payout/renewal is within the third year of 3 year VRM term.

B) the bonus amount will be repayable upon demand, at our option, if the mortgage loan principal amount outstanding is ever less than ten percent (10%) of the original principal amount as indicated above during the three year term of this mortgage from the date the mortgage loan is advanced.

If the 1% bonus is applied as a principal buy down, it will be effective on the first business day after the Interest Adjustment Date and any communication concerning the mortgage will reflect the total loan amount before the principal buy down.

This offer cannot be combined with any other mortgage discount offer or promotion during the three (3) year term from the date of advance.

5. YOUR TITLE TO YOUR PROPERTY

A. As Owner of Your Property, you certify that:

- You are the lawful owner of your property;
- You have the right to give us the mortgage;
- There are no encumbrances on the title to your property; and
- There are no limitations or restrictions on your title to your property except building by-laws, zoning regulations and registered restrictions.

This paragraph A applies unless you have advised us in writing that you are a tenant of your property under a lease, in which case paragraph B applies.

B. If you Are a Tenant of Your Property

- You certify that:
 - The property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;
 - The lease is a binding and existing lease and all information you have provided to us concerning it is true;
 - All rents payable under the lease have been paid to the date you sign the mortgage;
 - You have permission or the right to assign and mortgage or charge the lease; and
 - Except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions.

ii) You promise:

a) To pay the rent as it falls due;

b) To comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;

c) Not to surrender the lease;

d) Not to make any change in the lease without first obtaining our written consent;

e) To give us a true copy of any notice or request you receive concerning the lease; and

f) To notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

C. You will not do anything that will interfere with our interest in your property.

D. In order to ensure that your entire interest in your property is charged to us you will sign any other documents or do anything further that we think is necessary.

6. USE OF YOUR PROPERTY

You will not make any additions, alterations or improvements to your property or use your property for any business purposes without our prior written consent.

7. WE ARE UNDER NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance the entire principal amount or any part of it to you then we do not have to do so, even though the mortgage is prepared, signed or registered, and whether or not any part of the principal amount has already been advanced. However, by signing the mortgage you charge all of your interest in your property to us. You will reimburse us, on demand, for all our expenses of investigating the title to your property and preparing and registering the mortgage.

8. TAXES

A. You will make **monthly tax payments** to us on account of property taxes on each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on your property next becoming due and payable and may change from time to time to reflect changes in the annual taxes on your property. The monthly tax payments should enable us to pay all property taxes on or before their annual due date. Or, if your property taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of property taxes on or before the date on which the first instalment is due.

B. If, however, the annual due date or the first instalment date for the payment of your property taxes is less than one year from the interest adjustment date, you will pay us equal monthly tax payments during that period and during the next 12 months. These equal monthly tax payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.

C. You will also pay us, on demand, any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the monthly payment to cover this amount.

D. We will pay your taxes from the monthly payments we receive from you as long as you are not in default under the mortgage. We are not obliged to make tax payments on the dates they are due or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

E. We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on savings-chequing accounts. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.

F. If you fail to pay us any amount when it is due, we may apply the money in your tax account towards payment of such amount.

G. We can deduct from the total final advance of the principal amount enough money to pay all taxes due on or before the interest adjustment date and which have not been paid on the date the final advance is made.

H. You will immediately send us all assessment notices, tax bills or tax notices which you receive.

9. PAYMENTS WE CAN MAKE

We can pay off any liens, claims or encumbrances against your property which we consider to have priority over the mortgage. We can also pay all our expenses of collecting any payments not received from you when due. These expenses will include all our legal expenses on a solicitor and own client basis. You must immediately reimburse us for any amount so paid.

If we pay off any liens, claims or encumbrances against your property, we will be entitled to all the rights, equities and securities of the person, company, corporation or Government so paid off. We are authorized to retain any discharge which may be given for six months or more, if we consider it advisable to do so.

10. TRANSFER OF LEASES AND RENTS

A. If you have leased or, at a later date, lease all or part of your property to another person or persons, then, upon our written request, you will transfer and assign to us:

Filing No. 200114

i) All leases, lease agreements and their renewals;

ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the mortgage; and

iii) All rights under the leases and agreements as they affect your property.

B. In addition, you confirm that:

i) You must obtain our prior written consent for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease);

ii) Nothing we do under this paragraph 10 shall put us in possession of your property;

iii) However, if you default under the mortgage, we have the right to take possession of your property; and

iv) We are not obliged to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

11. INSURANCE

You will without delay insure, and keep insured, in our favour and until the mortgage is discharged, all buildings covered by the mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the buildings (the maximum amount for which the buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and a mortgage clause stating that loss is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds from that insurance.

If you do not:

- Maintain insurance on the buildings that, in our opinion, complies with this paragraph;
- Deliver a copy of any insurance policy or receipt to us at our request; or
- Provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.

Insurance proceeds may, in whole or in part, at our option, be:

- a) Applied to rebuild or repair the damaged buildings;
- b) Paid to you;
- c) Paid to any other person who owns or did own the property, as established by the registered title; or
- d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

This paragraph 11 does not apply (and paragraph 21E does apply) if your property is a condominium unit.

12. KEEPING YOUR PROPERTY IN GOOD CONDITION

You shall keep your property in good condition and make any repairs needed. You shall not do anything, or let anyone else do anything, that lowers the value of your property. We can inspect your property at any reasonable time. If, in our opinion, you:

- Do not keep your property in good condition; or
- Do or allow anything to be done that lowers the value of your property;

we can make any repairs we think are advisable. The costs of any inspections and any repairs we make are immediately payable by you.

13. ENVIRONMENTAL PROVISIONS

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect your property and the buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the outstanding balance under your mortgage and they will bear interest at your mortgage interest rate. If we do the things permitted under this section, we will not be considered to be in control of your property.

14. REPAYMENT OF LOAN AMOUNT ACCELERATED

The loan amount will become payable immediately, at our option, if:

- a) You default in making any regular monthly loan payment, or any other payment you are obliged to make to us under the mortgage.
- b) You fail to comply with any of your other obligations under the mortgage.
- c) Any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, judgements or construction liens or other similar encumbrances.
- d) Your property is abandoned.
- e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.

15. APPOINTING A RECEIVER TO RECEIVE INCOME

Filing No. 200114.... Ccts

If you default in making any regular monthly loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under the mortgage, we can, in writing, appoint a receiver (which includes a receiver and manager) to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

The receiver has the right to:

- Use any available remedy (taken in your name or our name) to collect the income from your property;
- Take possession of your property or part of it; and
- Manage your property and maintain it in good condition.

From the income collected the receiver may:

- a) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- b) Retain enough money to pay disbursements spent on collecting the income.
- c) Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges that have priority over the mortgage and interest on those charges.
- d) Pay us all interest that is due and payable under the mortgage and then pay us all or part of any other amount payable under the mortgage, whether it is due or not.

Nothing done by the receiver puts us in possession of your property or makes us accountable for any money except for money actually received by us.

16. ENFORCING OUR RIGHTS

A. Default in Payment

If you default in making any regular monthly loan payment or any other payment that you are obliged to make to us under the mortgage, we may enforce any one or more of the following remedies in any order:

- i) **Sue you** — We may take such action as is necessary to obtain payment of the loan amount.
- ii) **Foreclose or sell your property** — We may commence court proceedings to foreclose your right, title and equity of redemption to all or part of your property. If we obtain a final order of foreclosure, your property will by law become our property.

We may also ask the court to order the sale of your property. If the court makes such an order, it will supervise the sale proceedings. The net proceeds of the sale will be applied to reduce the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.

- iii) **Power of sale** — If you default in making any payment for 15 days, we can on 35 days' notice to you enter on your property and:

- a) Take possession of it;
- b) Sell all or part of your property (for cash or on credit, or partly for cash and partly on credit) by private sale or public auction for the price and on those terms that can be obtained;
- c) Lease it on such terms and for whatever period we may decide upon; or
- d) Take any other remedy available to us under Ontario law.

Notice shall be given to you and to such other persons in the manner and as required by law at the time it is given. Where there are no such requirements, notice may be given to you, at our option, by one or more of the following means:

- Personal service at your last known address;
- Registered mail at your last known address;
- Publication in a newspaper published in the county or district where your property is located;
- Leaving it with a grown-up person on your property; or
- Posting it on your property.

If default continues for three months, we may enter on, sell or lease your property without any notice unless notice is required by law.

We may apply the net proceeds of the sale or lease to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of your property is less than the loan amount, you must pay us the difference.

B. Default In your obligations including default in payment — if you default in any obligation under the mortgage (including any default referred to in paragraph A), we can enforce our above rights and we can enter on your property at any time, without the permission of any person, and make all arrangements that we consider advisable to:

- Inspect, lease, collect rents or manage your property;
- Repair or put in order any building on your property; or
- Complete the construction of any building on your property.

We can also take whatever action is necessary to take possession, recover and keep possession of your property.

C. Sale of goods (commercial mortgage only) —

If this is a commercial mortgage and you fail to make any payment to us when it is due, we can distraint against your goods. This means we can take any goods on your property and sell them as permitted by Ontario law. We may apply the net proceeds from the sale to reduce any part of the loan amount. Taking this action does not put us in possession of your property nor make us accountable for any money except the money we actually receive.

D. You will not interfere — You will not interfere with our possession of your property (if we go into possession of your property in enforcing our above rights) nor with the possession of anyone to whom your property is sold or leased by us or any receiver. You agree not to make any claim concerning the sale or lease of your property against anyone who buys or leases it from us or any receiver, or anyone who buys or leases it after that time.

E. Our expenses — You will immediately pay all our expenses of enforcing our rights. Our expenses include our costs of taking or keeping possession of your property, an allowance for the time and services of Scotia Mortgage Corporation's and/or The Bank of Nova Scotia's employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting our interest under the mortgage.

F. Judgements — If we obtain a court judgement against you for your failure to comply with any of your obligations to us under the mortgage, the judgement will not result in a merger of the terms of the judgement with our other remedies or rights to enforce your other obligations under the mortgage. We will continue to be entitled to receive interest on the loan amount at the rate payable on the loan amount and at the same times as provided for in the mortgage. The rate of interest payable on any judgment shall be calculated and payable in the same way as interest is calculated under the mortgage and at the same rate that interest is payable on the loan amount until the judgment has been paid in full.

17. DELAY IN ENFORCEMENT OF OUR RIGHTS

No delay or extension of time granted by us to you or any other person in exercising the enforcement of any of our rights under the mortgage nor any agreement referred to in paragraph 20 shall affect our rights to:

- a) Receive all payments you are obliged to make to us, when they are due and payable.
- b) Demand that you repay the loan amount and all interest which is due and payable, on any default by you.
- c) Have you comply with all of your obligations to us under the mortgage.
- d) Have any other person comply with the obligations that person has to us under the mortgage.

18. BUILDING MORTGAGE TERMS

An **improvement** means any alteration, addition or repair to any building on your property or any construction, erection or installation on your property. If the purpose of the mortgage is to finance an improvement, you must so inform us in writing immediately and before any advances are made under the mortgage. You must also provide us immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. You agree that any improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. We will make advances (part payments of the principal amount) to you based on the progress of the improvement, until either completion and occupation or sale of your property. We will determine whether or not any advances will be made and when they will be made. Whatever the purpose of the mortgage may be, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of the Construction Lien Act as amended or re-enacted. You authorize us to provide information about the mortgage to any person claiming a construction lien on your property.

19. RELEASING YOUR PROPERTY FROM THE MORTGAGE

We may establish the terms for releasing our interest in all or part of your property (that is, we may discharge, or partially discharge, your property) from the mortgage whether we receive value for our release or not. If we release part of your property from the mortgage at any time, the rest of your property will continue to secure the loan amount. We are only accountable for money actually received by us.

If your property is subdivided before our interest in your property comes to an end, the mortgage will be secured by each part into which your property is subdivided. This means that each part will secure repayment of the total amount you owe us, even if we release another part of your property from the mortgage.

If any part of the property, or any land adjoining the property, is taken by the exercise of any power of expropriation or similar power, the entire compensation which you may be entitled to receive shall, at our option, be applied to reduce the balance of the mortgage including any penalty, fee or interest to which we have a right under this mortgage or the relevant legislation.

We can release you, any guarantor, or any other person from performing any obligation contained in the mortgage or any other security document, without releasing any part of your property secured by the mortgage or any other security, and any such release shall not release any other person from the obligations in the mortgage.

20. RENEWING OR OTHERWISE AMENDING THE MORTGAGE

Filing No. 200114

Cuts

We may from time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage. Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge terms to the mortgage means the mortgage as amended by any such agreement or agreements.

21. CONDOMINIUM PROVISIONS

If your property is a condominium unit, you are also to comply with the provisions in this paragraph 21 in addition to all of the other provisions of the mortgage (except paragraph 11).

In this paragraph 21, the Condominium Act, as amended or re-enacted, is called the Act. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression **condominium property** has the same meaning as the word "property" in the Act.

A. You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the corporation) relating to your property and provide us with proof of your compliance from time to time as we may request.

B. You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.

C. You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation you receive (or are entitled to receive) from the corporation.

D. You will maintain all improvements made to your unit and repair them after damage.

E. **Insurance** — In addition to the insurance which the corporation must obtain, you must:

- i) Insure all improvements which you or previous owners have made to your unit;
- ii) Obtain insurance for those additional risks that we require;
- iii) Insure your common or other interest in building (whether presently existing or built in the future both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings or assets as required or if we require you to do so;
- iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation.
- v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen full days before the insurance expires or is terminated.
- vi) Do all that is necessary to collect insurance proceeds.

Each of your insurance policies (and those of the corporation) must comply with the following:

— Your property must be covered against destruction or damage by fire and other perils usually covered in fire insurance policies and against any other perils we require for its full replacement cost (the maximum amount for which it can be insured) in Canadian dollars;

— The insurance company and the terms of the policy must be satisfactory to us.

If you fail to insure your property as required in this paragraph 21, we can, but are not obliged to, obtain any insurance which you are required to obtain. What we pay for this insurance will immediately become payable by you to us. If any loss or damage occurs, you, on behalf of the condominium corporation and yourself, will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the condominium corporation.

To the extent permitted by law, insurance proceeds may, in whole or in part, at our option be:

- a) Applied to rebuild or repair the damage to your property;
- b) Paid to you;
- c) Paid to any other person who owns or did own the property, as established by the registered title; or
- d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

F. **You must pay certain other expenses** — In addition to our other rights and remedies contained in the mortgage, you will pay us immediately all our expenses in relation to:

- Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);
- The enforcement of our right to have the corporation or any owner comply with the Act, declaration, by-laws and rules; and
- Our exercising any voting rights we may have.

Where our expenses relate to other units as well as to your property, the amount you are required to pay will only be the expenses related to your property as we determine.

Filing No. 200114 Cts

G. Voting and other rights — You authorize us to exercise your rights under the Act to vote, consent and dissent. You also authorize us to exercise your rights to:

- Demand the corporation purchase your unit and common interest, where provided under the Act;
- Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration;
- Receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

Nothing done under this paragraph 21 puts us in possession of your property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act. We may at any time revoke any arrangement we make for you to do anything you have authorized us to do.

H. Our additional rights under the mortgage — You authorize us to do the following:

- i) Inspect your property at any reasonable time.
- ii) Do any needed maintenance or repairs after damage.
- iii) Inspect the corporation's records
- iv) Remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the corporation.

I. Repayment of the loan amount may be accelerated — The loan amount will become payable immediately, at our option, if:

- i) The corporation fails to comply with the Act and the declaration, by laws and rules of the corporation;
- ii) The corporation fails to:
 - insure all the condominium units and common elements according to law and according to any additional requirements of ours;
 - insure its assets if we so require and according to our requirements;
 - provide us with proof that the insurance is in force, if we ask for it; or
 - do all that is necessary to collect insurance proceeds;
- iii) The corporation does not, in our opinion, manage the condominium property and assets in a careful way;
- iv) The corporation fails to keep the corporation's assets in good repair and working order;
- v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;
- vi) There has been substantial damage and the owners have voted for termination of the condominium;
- vii) A sale of the condominium property or any part of the common elements is authorized.
- viii) A court makes an order that the government of the condominium property by the Act be terminated; or
- ix) The condominium property ceases to be governed by the Act.

Our rights will not be affected by the fact that we voted for or consented to such termination, sale or order or to the condominium property not being governed by the Act.

J. Termination of the corporation — If your property ceases to be governed by the Act:

- All the terms of the mortgage continue to apply;
- You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will reimburse us, immediately, for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition;
- Your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this; and
- Any money received by us (after payment of all our expenses) may be applied to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you.

22. DISCHARGE

When our interest in your property comes to an end, we will provide, at our sole discretion, either a full discharge of our claim (which is called a Discharge of Charge/Mortgage) or a written confirmation that our claim has been discharged (which is called a Notification of Discharge). You will give us a reasonable time in which to prepare such documents and you will pay our usual administrative fee for preparing, reviewing, signing or registering the discharge document and all legal and other expenses we incur in so doing. In the event we provide you with a Discharge of Charge/Mortgage, you will be responsible for registering the documentation and for all costs relating to such registration.

When our interest in your property comes to an end and you request that we assign your mortgage we will prepare an assignment of the mortgage for you. You will give us a reasonable time in which to prepare and sign the assignment and you will pay our usual administrative fee for preparing, reviewing and signing the documentation and all legal and other expenses we incur in so doing. You will be responsible for registering the documentation and for all costs relating to such registration.

23. HEADINGS

Headings form no part of the mortgage. They are used so that parts of the mortgage can easily be referred to.

24. WHO IS BOUND BY THE MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in the mortgage. The mortgage will also be binding on your heirs, personal and legal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your property is transferred. As well, the mortgage will be binding on anyone to whom it is transferred by us. All persons who sign the mortgage as chargors are collectively and individually (that is, jointly and severally) bound to comply with all obligations under the mortgage.

25. STATUTORY COVENANTS EXCLUDED

The covenants set out in Section 7(1) of the Land Registration Reform Act, as amended or re-enacted, are excluded from the mortgage.

26. GUARANTEE

In this paragraph 26, **guarantor** means each person who signs the mortgage as guarantor. **Chargor** means the person or persons who sign the mortgage as chargor and **property** means the property charged by the mortgage.

In return for us making a loan to the chargor, the guarantor, by signing the mortgage, guarantees the chargor's payments (including interest, whether or not the interest rate is changed), and compliance with the chargor's other obligations, under the mortgage. Each guarantor agrees that, if the chargor defaults in making any payment or in performing any other obligation under the mortgage, the guarantor will pay us all of the unpaid payments and comply with all of the obligations which have not been complied with by the chargor. Each guarantor will be collectively and individually (that is, jointly and severally) responsible with the chargor and with one another (if more than one) for all obligations under the mortgage.

It is understood that we can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its term for further periods of time;
- Increase the rate of interest payable under the mortgage, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the property from the mortgage or any other security;
- Otherwise deal with the chargor, any other person (including any guarantor), any security (including the mortgage) or the property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period;

either before or after requiring payment from any person without affecting the guarantee. We may require payment from any guarantor without first trying to collect from the chargor or any other person (including any guarantor) or on any security (including the mortgage). Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

27. SAMPLE CALCULATION

Use this formula to calculate the interest on any amount for any period:

$$\text{(Principal} \times \frac{\text{Interest rate}}{100} \times \frac{\text{Number of days in the period}}{365 \text{ (or 366 in a leap year)}}\text{)}$$

The amount on which you are calculating interest is called the principal and the interest rate is the interest rate payable on the loan amount under clause 3A of this set of terms.

Where this set of terms (including this paragraph) refer to interest from a date, that means interest from and including the date. Where this set of terms (including this paragraph) refer to interest to a date, that means interest to but excluding the date.

HERE IS AN EXAMPLE OF THE CALCULATION :

Assume that you wish to calculate the interest on \$50,000 from March 1 to April 1. Assume that the interest rate was 9% on March 1. Assume that the year is not a leap year.

In calculating the period from March 1 to April 1, include the first date but exclude the second date, so that the number of days is 31.

The formula for calculating the interest on the principal from March 1 to April 1 is :

$$\$50,000 \times \frac{9}{100} \times \frac{31}{365} = \$382.19$$

Assume that the \$50,000 in this example is the balance of the principal amount owing on March 1 and that nothing else is owing on that day. Assume that the monthly loan payment is \$500. The payment on April 1 is applied as provided under Clause 4D of this set of standard terms as follows:

To pay interest from March 1 to April 1	\$ 382.19
To reduce the loan amount	<u>\$ 117.81</u>
	\$ 500.00

On April 1, the principal amount would be reduced to \$49,882.19. This would be the principal in the calculation on May 1. If the monthly loan payment had been only \$375, all of it would have been used to pay the interest and none to reduce the principal amount. The remaining interest of \$7.19 would have become deferred interest as provided under Clause 3D of this set of terms. On May 1 interest would have been calculated on both the loan amount of \$50,000 and the deferred interest of \$7.19.

28. EQUIVALENT RATES

Clng No. 300114

The interest rate payable on the loan amount under the mortgage is calculated monthly not in advance. The table below sets out what would be the equivalent interest rate if the interest rate were calculated half-yearly not in advance.

Interest rate per annum calculated monthly not in advance (%)	Equivalent Interest rate per annum calculated half- yearly not in advance (%)	Interest rate per annum calculated monthly not in advance (%)	Equivalent Interest rate per annum calculated half- yearly not in advance (%)
3.000	3.01881	11.625	11.91021
3.125	3.14542	11.750	12.04141
3.250	3.27208	11.875	12.17269
3.375	3.39882	12.000	12.30403
3.500	3.52562	12.125	12.43544
3.625	3.65249	12.250	12.56682
3.750	3.77942	12.375	12.69846
3.875	3.90642	12.500	12.83008
4.000	4.03348	12.625	12.96176
4.125	4.16061	12.750	13.09351
4.250	4.28781	12.875	13.22533
4.375	4.41507	13.000	13.35721
4.500	4.54240	13.125	13.48916
4.625	4.66979	13.250	13.62118
4.750	4.79725	13.375	13.75327
4.875	4.92478	13.500	13.88543
5.000	5.05237	13.625	14.01766
5.125	5.18003	13.750	14.14995
5.250	5.30776	13.875	14.28231
5.375	5.43555	14.000	14.41474
5.500	5.56341	14.125	14.54724
5.625	5.69133	14.250	14.67981
5.750	5.81932	14.375	14.81244
5.875	5.94738	14.500	14.94514
6.000	6.07550	14.625	15.07791
6.125	6.20369	14.750	15.21075
6.250	6.33195	14.875	15.34366
6.375	6.46027	15.000	15.47664
6.500	6.58866	15.125	15.60968
6.625	6.71711	15.250	15.74279
6.750	6.84564	15.375	15.87597
6.875	6.97423	15.500	16.00922
7.000	7.10288	15.625	16.14254
7.125	7.23160	15.750	16.27593
7.250	7.36039	15.875	16.40939
7.375	7.48925	16.000	16.54291
7.500	7.61817	16.125	16.67650
7.625	7.74716	16.250	16.81016
7.750	7.87621	16.375	16.94389
7.875	8.00534	16.500	17.07769
8.000	8.13452	16.625	17.21156
8.125	8.26378	16.750	17.34550
8.250	8.39310	16.875	17.47950
8.375	8.52249	17.000	17.61358
8.500	8.65195	17.125	17.74772
8.625	8.78147	17.250	17.88193
8.750	8.91106	17.375	18.01621
8.875	9.04072	17.500	18.15056
9.000	9.17045	17.625	18.28498
9.125	9.30024	17.750	18.41947
9.250	9.43010	17.875	18.55403
9.375	9.56002	18.000	18.68865
9.500	9.69002	18.125	18.82335
9.625	9.82008	18.250	18.95811
9.750	9.95021	18.375	19.09295
9.875	10.08040	18.500	19.22785
10.000	10.21066	18.625	19.36282
10.125	10.34099	18.750	19.49786
10.250	10.47139	18.875	19.63297
10.375	10.60185	19.000	19.76815
10.500	10.73238	19.125	19.90340
10.625	10.86298	19.250	20.03872
10.750	10.99365	19.375	20.17411
10.875	11.12438	19.500	20.30956
11.000	11.25519	19.625	20.44509
11.125	11.38605	19.750	20.58068
11.250	11.51699	19.875	20.71635
11.375	11.64800	20.000	20.85208
11.500	11.77907		

Dated this 20th day of November, 2001

2000016 (809)

Willy Lee
Assistant General Manager
Scotia Mortgage CorporationTM Trademark of The Bank of Nova Scotia.
Scotia Mortgage is an authorized user.

Land Registration Reform Act

SET OF STANDARD CHARGE TERMS

Filed by L'ALLIANCE DES CAISSES POPULAIRES DE L'ONTARIO LIMITEE

The following set of standard charge terms shall be deemed to be included in every charge in which the set is referred to by its filing numbers, as provided by section 9 of the Act.

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STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 200115 Cote

Filing Date Dec 4 2001 Date de Depôt

Page 1 of 15 Fifteen (15) Pages

Jan Veitch
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

STATUTORY COVENANTS EXCLUDED

1. The parties agree that the covenants deemed to be included in all charges by reason of section 7(l) of the *Land Registration Reform Act*, as amended from time to time, are excluded from this charge and replaced by the following covenants.

CREATION OF CHARGE

2. The Chargor charges in favour of the Chargee the lands described in the Charge as security for the repayment of the principal amount set out in the Charge, the interest calculated at the rate shown in said Charge, all costs and amounts payable hereunder and the performance of all covenants, obligations and provisos herein contained, in accordance with the terms stipulated in the Charge, together with all remedies, rights and powers available to the Chargee at Law and under this Charge, including the power of sale herein contained.

CHARGE VOID

3. Provided this Charge to be void on payment to the Chargee at its head office, or such other place as may be designated by the Chargee, in lawful money of Canada, of the principal amount set out in the Charge and interest at the rate set out in the Charge, calculated at the times indicated in the Charge, as well after as before maturity, default or judgement, until fully paid, in accordance with the terms described hereunder, together with the payment of all other amounts payable hereunder, including all municipal taxes, rates, levies, charges or assessments, utility charges upon the lands and the observance by the Chargor of all covenants, obligations and provisos herein contained.

Interest at the rate set out in the Charge on the amounts from time to time advanced, computed from the respective dates of such advances until the interest adjustment date set out in the Charge, shall become due and be paid on the interest adjustment date; thereafter, the principal amount and interest thereon shall become due and be paid upon the terms and on the dates set out in the Charge. All payments shall be applied firstly to interest calculated as set out in the Charge on the principal amount from time to time outstanding, and the balance if any, will be applied in reduction of the principal.

INTEREST ON ARREARS

4. It is agreed that in case of default in the payment of any sum to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the sums in arrear for interest from time to time, as well after as before maturity, shall bear interest at the rate set out in the Charge. In the event that the interest and compound interest are not paid in two months from the time of default a rest shall be made, and compound interest at the rate set out in the Charge shall be payable on the aggregate amount then due, as well before as after maturity, and so on from time to time. All such interest and compound interest shall be a charge upon the said lands.

ADVANCES OF PRINCIPAL

5. The Chargor agrees that neither preparation, execution nor registration of this Charge shall bind the Chargee to advance the principal amount secured under this Charge. Similarly, the advance of a part of the principal amount secured under this Charge shall not bind the Chargee to advance any unadvanced portion thereof. Nevertheless this Charge shall take effect forthwith upon execution thereof by the Chargor, and the costs and expenses of the examination of title, all related searches and the preparation of this Charge and valuation are to be secured by this Charge in the event of the whole or any balance of the principal amount not being advanced. These costs shall be a charge upon the said lands and shall without demand thereof, be payable forthwith with interest at the rate set out in the Charge; and in default the Chargee may exercise the power of sale and all its remedies, rights and powers available at Law and under this Charge.

MUNICIPAL TAXES

6. With respect to municipal taxes, school taxes, local improvement rates and all other taxes charged by a competent authority chargeable against the lands (hereinafter referred to as the "taxes"), it is agreed as follows:
 - a) Subject to the provisions of this clause the Chargor shall pay all taxes chargeable against the lands as they fall due;
 - b) The Chargor agrees to provide to the Chargee, as the Chargee may require, receipts confirming the payment of said taxes within a period of thirty days following the date on which they were due;
 - c) The Chargee may deduct from the final advance of monies secured by this Charge an amount sufficient to pay the taxes due at the time of such final advance;
 - d) If required by the Chargee, the Chargor shall, each month, pay to the Chargee one-twelfth of the amount of the taxes due for the following year, as estimated by the Chargee; the Chargor shall also pay to the Chargee on demand, the amount if any, by which the actual taxes exceed such estimated amount;

- e) The Chargor shall pay interest at the rate set out in the Charge on any debit balance, in the account maintained by the Chargee with respect to taxes, after payment of taxes by the Chargee, until such debit balance is fully repaid and such amount is payable forthwith, added to the Charge and shall be a charge on the lands.

The Chargee agrees to apply such deductions and payments on the taxes chargeable against the lands so long as the Chargor observes the covenants contained in this charge; nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly and the Chargee shall not be obligated to pay interest or other indemnity on such payments. If before any sum paid to the Chargee shall have been so applied to taxes, there is default by the Chargor in respect of any payment due under the Charge, the Chargee may apply such sum to satisfy the payment in default. Nothing contained in this Charge shall relieve the Chargor of his obligation to pay the taxes to the extent that the amounts applied to taxes by the Chargee are not sufficient to fully discharge the same. The Chargor further covenants to provide to the Chargee assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after receipt of same by him.

COVENANTS OF THE CHARGOR

7. The Chargor hereby covenants and warrants to the Chargee as follows:

PAYMENT OF PRINCIPAL AND INTEREST AND OBSERVATION OF COVENANTS

- a) The Chargor covenants with the Chargee to pay, without deduction or abatement, the amounts advanced under the Charge and interest thereon in accordance with the provisions of the Charge; and to pay ahd to satisfy, as they fall due, all taxes, assessments, and other levies and statute labour levied or imposed by any municipal, local, parliamentary or other competent authority, which may now or hereafter be imposed, charged or levied upon the lands and when required shall leave the receipts therefor with the Chargee; to do, observe, perform, fulfil and keep all the provisions, covenants, agreements and stipulations provided in the Charge; and that in the event of default, the Chargee shall have quiet possession of the lands free and clear from all encumbrances.

Without prejudice to the Chargee's rights under Section 44 of the *Credit Unions and Caisses populaires Act*, as amended from time to time, the Chargor authorizes the Chargee to withdraw from any account maintained by the Chargor with the Chargee, the instalments or any other amounts due under this Charge.

AUTHORITY TO CHARGE LANDS

- b) The Chargor covenants with and warrants to the Chargee that he has good right, full power and absolute authority to charge the said lands, in the manner set out in this Charge.

TITLE

- c) The Chargor covenants with and warrants to the Chargee that at the time of execution of this charge he has a good and indefeasible estate of inheritance in fee simple, to the said lands, free and clear of all charges, easements, reservations, equitable interests, and other interest of any kind whatsoever, except as disclosed by the records of the land registry office.

PRIOR ENCUMBRANCES

- d) The Chargor covenants with and warrants to the Chargee that he has not by any act, omission, or consent permitted or done anything whereby the lands are or may hereafter be in any way encumbered by any charge, easement, equitable interest or any other interest whatsoever, except as disclosed in the records of the land registry office.

INSURANCE

- e) The Chargor covenants that he will forthwith insure the buildings now or hereafter erected on the lands for a sum which shall not be less than their full replacement value and during the continuance of this Charge keep them insured in favour of the Chargee against loss and damage by fire, and also by explosion, tempest, tornado, cyclone, lightning and such other risks or hazards as the Chargee may require. The Chargor shall deliver to the Chargee at least fifteen days prior to the expiry of any insurance policy and at least five days prior to the effective date of any notice of cancellation, evidence that he has renewed or replaced such insurance, failing which the Chargee may provide therefore and charge the costs thereof and interest thereon at the charge rate to the Chargor and the same shall be payable forthwith and shall also be a charge upon the lands. It is also agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance to be effected in a company to be named by the Chargee. The Chargee may of its own accord effect or maintain any insurance herein provided for, and any amount paid by the Chargee thereof shall be payable forthwith by the Chargor with interest at the charge rate and shall also be a charge upon the said lands. All policies of insurance shall provide that loss shall be payable to the Chargee as its interest may appear and contain a charge clause in a form approved by the Chargee. The Chargee may, in its sole discretion, require that all monies received in the event of loss be applied in whole or in part in discharge of any of the monies due under the Charge, whether due or not.

ACCELERATION ON DEFAULT

- f) In default of payment of interest, of any instalment of principal, or of any other amount payable by the Chargor to the Chargee, in whole or in part, under this Charge, or in the event of default by the Chargor in the observance of any of the covenants, obligations and provisos contained in this Charge, the Chargee may, in its sole discretion, demand immediate payment of the full amount of principal, interest, and any other amounts due under the Charge. In default of payment, the Chargee may exercise all of its remedies, rights and powers available at Law, and under this Charge including the power of sale herein contained. It is agreed that the Chargee may in writing waive its right to demand immediate payment of the full amount of principal, interest, and any other amount due under the Charge, but notwithstanding such waiver, the Chargee may exercise such right at a later time, or in the event of any other default.

The Chargor covenants with the Chargee and warrants that in the event of non-payment of the principal amount or interest, and all other amounts payable under this Charge become due pursuant to this clause at the time or times provided, he shall not require the Chargee to accept payment of said principal amount without first giving three months previous notice in writing or paying the indemnity calculated in accordance with the formula provided in clause 22(b) herein. The Chargor agrees that this indemnity constitutes a form of compensation payable in consideration for the Chargor's full repayment of the principal and is not a penalty.

DISTRESS

- g) The Chargee may distrain for arrears of interest, principal and with respect to all other amounts due under this Charge. All costs incurred in connection with the Chargee's exercise of its remedy of distress are payable by the Chargor forthwith with interest at the charge rate and are a charge on the lands.

ENTRY ON DEFAULT

- h) In default of the payment of interest, on any instalment of principal, and of any other amount payable by the Chargor to the Chargee, in whole or in part, under this Charge, or in the event of default by the Chargor in the observance of any of the covenants, obligations and provisos contained in this Charge, the Chargee may take possession of the lands and shall have quiet possession of the lands free and clear from all charges, executions or other encumbrances without the let, suit, hindrance, interruption or denial of the Chargor.

FURTHER ASSURANCES

- i) At all times, the Chargor and any person who shall have a right or claim against the whole or any part of the lands will, at the Chargor's expense, execute, deliver or obtain any deed or other instrument and do anything which the Chargee or its solicitor may deem necessary for the further, better and more perfectly and absolutely conveying and assuring the lands hereby charged unto the Chargee and such expenses shall be payable forthwith by the Chargor, with interest at the charge rate and shall be a charge on the lands.

REPAIR

- j) The Chargor will keep the lands and the buildings and improvements now or hereafter erected thereon in good condition and repair and the Chargee may, whenever the Chargee deems necessary, in person or through an agent enter upon and inspect the said lands and premises and make such repairs as the Chargee deems necessary. The costs of such inspection and repairs with interest at the rate set forth in the Charge shall be payable forthwith by the Chargor and be a charge upon the said lands. If the Chargor shall neglect to keep the said lands and premises in good condition and repair or commits or permits any act of waste on the said lands (as to which the Chargee shall be the sole judge) the Chargee may demand the immediate payment of the principal amount secured, interest thereon, and any other amount due under the Charge and in default of payment, the Chargee may exercise all of its remedies, rights and powers available at Law and under this Charge, including the power of sale herein contained. The Chargor also covenants to forthwith advise the Chargee of any order or notice relating to the lands issued by any competent authority and the Chargor further agrees that the existence of any such order or notice shall constitute a default under this Charge and in such event, the Chargee may exercise all of its remedies, rights and powers available at Law and under this Charge, including the power of sale herein contained.

POWER OF SALE

- k) In the event of default of payment of the principal amount or interest, in whole or in part, or in the observing, performing, fulfilling or keeping of one or more of the covenants, obligations and provisos contained in the Charge, the Chargee may enter into possession of the lands hereby charged and take the rents and profits and, whether in or out of possession of the lands, may make any lease thereof as the Chargee shall think fit.

Further, in the event of default, in any payment of the principal amount or interest in whole or in part, or in the observing, performing, fulfilling or keeping of one or more of the covenants, obligations and provisos contained in the Charge, and fifteen days shall have thereafter elapsed without such default having been remedied, the Chargee may, after giving thirty-five days written notice to the persons and in the manner prescribed by Part 111 of the *Mortgages Act*, as amended from time to time, without any further consent or concurrence of the Chargor, sell and absolutely dispose of the lands hereby charged or any parts thereof, by public auction or private contract, or partly by private contract and partly by public auction, as the Chargee shall see fit, and may convey and assure the same when so sold unto the purchaser or purchasers, his or their heirs, executors, successors, administrators and assigns, and execute and do all such things as may be found necessary for the purposes aforesaid. The Chargee shall not be responsible for any loss that may arise by reason of any such leasing or sale as aforesaid unless the same shall happen by reason of its willful neglect or default.

The production of these presents shall be conclusive evidence of default, as also of the continuance of the said principal amount and interest or some part thereof.

After such sale or sales as herein provided, the Chargee shall stand and be possessed of the monies to arise and be produced by such sale or sales, or which shall be received by the Chargee by reason of any insurance upon the said premises upon the following trusts:

Firstly to pay and satisfy the costs and charges of preparing for and making sales, leases and conveyances as aforesaid or attempted sales, leases or conveyances, and all other costs, charges, damages and expenses which the Chargee shall bear, sustain or be put to for taxes, rents, insurances and repairs and all other costs which may be incurred in and about the execution of any of the trusts hereby reposed;

Secondly, to pay and satisfy the interest and principal hereby secured or so much thereof as shall remain due and unsatisfied up to and inclusive of the day whereon the principal amount shall be paid and satisfied.

To the extent that a surplus remains after full payment and satisfaction of the amounts due under this Charge, the Chargee shall apply such surplus towards the payment of subsequent encumbrancers according to their priorities pursuant to all applicable laws and the Chargee shall pay such surplus to the Chargor or as he shall direct and appoint and shall in such event, at the request and cost of the Chargor, transfer, release and assure unto the Chargor or to such person or persons as he shall direct and appoint, all such part of the lands hereby charged as shall remain unsold for the purposes aforesaid, free and absolutely discharged from all claim from the Chargee.

Provided always, and it is hereby further declared and agreed that notwithstanding the power of sale and the other powers and provisions contained in the Charge, the Chargee shall have and be entitled to its right of foreclosure of the fee interest or equity of redemption of the Chargor in the lands hereby charged as fully and effectually as it might have exercised and enjoyed the same in case the power of sale, and the other former provisos in trust incident thereto had not been herein contained.

It is further agreed that any notices shall be given in such manner and to such persons as may be lawfully required pursuant to the *Mortgages Act*, as amended from time to time, at the time when such notices are given and in the absence of any such requirement in the *Mortgages Act*, as amended from time to time, or to the extent that such requirements shall not be applicable, such notices may be effectually given either by leaving the same with a grown up person on the said lands, if occupied, or by placing it thereon if unoccupied, or, at the option of the Chargee, by mailing the same in a registered letter addressed to the Chargor at his last known address or by publishing the same once in some newspaper published in the county or district in which the said lands are situated; any notice shall be sufficient although not addressed to any person by name or designation and notwithstanding any person or persons to be affected thereby may be unknown, unascertained or under disability.

The Chargee may sell any part of the said lands on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can be obtained after reasonable efforts. The Chargee may bid or buy the lands at the time of such sale, and may rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being held liable or answerable for loss occasioned thereby. In the case of a sale on credit, the Chargee shall be bound to pay to the Chargor only such monies as have been actually received from the purchaser after the satisfaction of the claims of the Chargee. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by expressed notice that any sale or lease is improper. No want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

The Chargor agrees that he will reimburse the Chargee for legal fees and disbursements (calculated on a solicitor-client basis), real estate commissions and all other costs incurred by the Chargee in exercising the power of sale herein contained and all such fees, commissions and other costs shall bear interest at the rate provided in the charge, shall be payable by the Chargor forthwith and shall be a charge on the lands.

SALE OF THE LANDS

8. a) In the event of a sale or other transfer whether voluntary or involuntary, in whole or in part, of the lands, by the Chargor, the Chargee may demand immediate payment of the principal amount together with interest accrued thereon and all other amounts payable under the Charge, together with an indemnity calculated in accordance with the formula provided in clause 22(b) herein. The Chargor covenants that such indemnity constitutes a form of compensation payable in consideration for the Chargor's full repayment of the principal and is not a penalty.
- b) It is agreed that no sale or other dealing by the Chargor with the said lands shall in any way change the liability of the Chargor or in any way alter the remedies, rights and powers of the Chargee available at Law and under this Charge as against the Chargor or any other person liable for payment of the monies secured under this Charge.

SUBSEQUENT CHARGE

9. In the event that the Chargor gives a charge on the lands to another Chargee without obtaining the Chargee's prior consent, the Chargee may demand full repayment of the principal, interest and all other amounts payable under the Charge forthwith, together with an indemnity calculated in accordance with the formula provided in clause 22(b) herein. The Chargor covenants that such indemnity constitutes a form of compensation payable in consideration for the full repayment of the principal by the Chargor and is not a penalty.

PAYMENTS BY CHARGE

10. It is agreed that the Chargee may pay all premiums of insurance and all taxes, rates and utility and heating charges which shall from time to time fall due with respect to the said lands, and be unpaid by the Chargor. Any such payments made by the Chargee together with all costs, charges, legal fees (as between solicitor and client) and expenses incurred in taking, recovering and keeping possession of the said lands, and for negotiating this loan, investigating title, and registering this Charge and other necessary deeds, and all costs incurred in any other proceedings taken in connection with or to realize this security (including real estate commissions incurred in leasing or selling the said lands), shall bear interest at the rate set forth in this Charge and be a charge upon the said lands in favour of the Chargee. The Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands and all amounts incurred for any such purpose shall likewise be a charge upon the said lands in favour of the Chargee. It is hereby further agreed that all amounts paid by the Chargee as aforesaid shall be added to the debt hereby secured and shall be payable by the Chargor forthwith with interest at the rate set out in this Charge. In default of payment, the Chargee may demand immediate payment of the principal amount, interest thereon and any other amount due under the Charge and may exercise all its remedies, rights and powers available at Law and under this Charge including the power of sale herein contained.

ONTARIO NEW HOME WARRANTIES PLAN ACT

11. In the event the Chargee incurs any cost or expense of any nature or kind in any way arising from or relating to the *Ontario New Home Warranties Plan Act*, as amended from time to time, or the regulations thereunder, including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under this Act or enrolling the lands or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such costs and expenses shall be added to the debt secured under the Charge and be a charge on the said lands and shall bear interest at the rate set forth in the Charge, and shall be payable forthwith by the Chargor to the Chargee.

FIXTURES

12. It is hereby mutually covenanted and agreed that all erections, improvements and fixtures now or hereafter put upon the lands, including but without limiting the generality of the foregoing, all fences, heating, piping, plumbing, aerials, air conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment pertinent thereto, and all farm machinery and improvements, fixed or otherwise and even though not attached to the lands otherwise than by their own weight are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the lands and shall be a portion of the security for the indebtedness secured under this Charge.

LIENS AND CONSTRUCTION

13. The Chargor covenants that in the event of registration of any lien against the lands or in the event of any buildings and/or improvements erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten days, the principal, interest and any other amount payable under this Charge shall, at the option of the Chargee forthwith become due and payable and the Chargee may exercise all its remedies, rights and powers available at law and under this Charge, including the power of sale herein contained.

ALTERATIONS

14. The Chargeor covenants that the Chargeor will not make or permit to be made any alterations or additions to the lands without the prior consent of the Chargee and any failure by the Chargeor to fulfil this covenant shall constitute a default under this Charge and, in the event of default, the Chargee shall be entitled to exercise all its remedies, rights and powers available at law and under this Charge, including the power of sale herein contained.

DEFAULT IN PRIOR CHARGES

15. The Chargee and the Chargeor covenant and agree that, should default be made by the Chargeor in the observance or performance of any of his obligations or covenants pursuant to any agreements, provisos or conditions contained in any mortgage or charge to which this Charge is subject, all amounts due and payable under this Charge shall, at the option of the Chargee, forthwith become due and payable and all remedies, rights and powers available to the Chargee at law and under this Charge may be exercised by the Chargee, including the power of sale herein contained.

WAIVER OF DEFAULT

16. The Chargeor agrees that the Chargee may in writing at any time or times after default under this Charge waive such default and forego its right to demand immediate payment of the full amount of principal, interest accrued thereon and any other amount due under the Charge, but any such waiver shall apply only to the particular default and shall not operate as a waiver of any other or future default.

PARTIAL RELEASES

17. The Chargee may at its discretion at all times release any part or parts of the said lands or any other security or any surety for the principal amount and interest secured by this Charge, either with or without any sufficient consideration therefore, without being accountable to the Chargeor except for any monies actually received by the Chargee, without responsibility therefore, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained. It is expressly agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with the whole principal amount secured under this Charge and no person shall have the right to require the principal amount to be apportioned.

EXTENSIONS

18. No extension of time given by the Chargee to the Chargeor or anyone claiming under him or any other dealing by the Chargee with the owner or owners of the said lands or of any part thereof shall in any way affect or prejudice the rights of the Chargee against the Chargeor or any other person liable for the payment of the principal amount and interest secured under this Charge. This Charge may be renewed by an agreement in writing or in accordance with the provisions of the next following paragraph at maturity for any term notwithstanding that there may be subsequent encumbrancers. It shall not be necessary to register any such agreement in order to retain priority of this Charge and the amounts secured thereunder including interest, even if the rate thereof should be increased over any instrument registered subsequent to this Charge.

The Chargee may, prior to maturity, advise the Chargeor by written notice that it is willing to extend or renew this Charge upon such terms and conditions as may be specified in the notice. In such event this Charge will be renewed for a term of one year or for a lesser term, at the option of the Chargee, in accordance with the terms and conditions set out in the notice unless the Chargeor delivers to the Chargee a duly executed renewal form indicating his choice of another renewal period offered in the notice or unless this loan is repaid in full on the date of maturity; and the Chargee may withdraw from any of the Chargeor's accounts, the renewal fee and all monthly instalments due thereafter. The Chargee may also require that the Chargeor execute such further and other documentation as may be required to give effect to such renewal.

Nothing contained in this clause shall confer any right of renewal upon the Chargeor.

JUDGEMENTS

19. The taking of a judgement on any of the covenants herein contained shall not operate as a merger of the said covenant or affect the Chargee's rights including the right to interest at the rate and times provided in this Charge; further any judgement shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Charge until the said judgement shall have been fully paid and satisfied.

GUARANTOR(S)

20. In the event that one or more persons designated as Guarantors have executed the Charge or any schedule attached thereto, the following shall apply:

The Guarantor or if more than one, each of them jointly and severally, in consideration of the Chargee making the loan secured by this Charge to the Chargor, guarantees to the Chargee, the payment of the principal sum and interest thereon at the rate provided in this Charge and performance and observance by the Chargor of all covenants, obligations and provisos contained in the Charge.

The Guarantor acknowledges that he is responsible as principal debtor and agrees that the Chargee may, without notice to the Guarantor, and without limiting or varying the Guarantor's liability hereunder, grant extensions, renewals, time, discharges, releases, take other security, release or abandon any security in whole or in part, abstain from taking other sureties or guarantees, or from realizing on sureties or guarantees in its possession, accept proposals and otherwise deal with the Chargor or any other person including other guarantors, without releasing, diminishing, or limiting in any way the responsibilities or obligations of the Guarantor to the Chargee.

The Guarantor further acknowledges that his liability to the Chargee shall not be lessened, limited or varied by any deficiency or insufficiency of the security under this Charge nor by any other thing whatsoever including the bankruptcy or insolvency of the Chargor, the dissolution of the Chargor, if a corporation, or, any want of capacity, moratorium or other circumstances rendering the obligations of the Chargor void or unenforceable and nothing save the payment in full of the principal amount, all interest and all other amounts due under this Charge and the performance of all obligations and covenants under this Charge shall discharge the Guarantor. The Guarantor further acknowledges that the Chargee shall not be bound to have recourse or to exhaust its recourse against the Chargor or against any other person or persons or against any security under this Charge or otherwise before enforcing the Chargee's remedies, rights and powers available at Law and under this Charge against the Guarantor.

CONDOMINIUM

21. The following provisions apply to any condominium unit that is part of the charged lands:

- a) The Chargor covenants to comply with the *Condominium Act*, as amended from time to time, the declaration, the by-laws and rules of the Condominium Corporation and agrees to provide to the Chargee copies of any notices, assessments, by-laws, rules and financial statements provided to him by the Condominium Corporation, as amended from time to time; and the Chargor agrees that any violation of his obligations hereunder shall constitute a violation of a covenant pursuant to the Charge.
- b) The Chargor covenants that he will insure all improvements, which he or previous owners have made to the unit. This provision is in addition to and does not in any way diminish the Chargor's obligations under paragraph 7(e) herein.
- c) The Chargor irrevocably authorizes the Chargee to exercise the Chargor's right to vote or consent with respect to any matter submitted to members of the Condominium Corporation for a vote or consent. In the event that the Chargee does not exercise such rights, the Chargor may exercise them and the Chargor hereby covenants and agrees to exercise his voting or consent rights in accordance with any direction given by the Chargee. The Chargee shall have no obligation to vote or consent or otherwise protect the Chargor's interests by reason of the Chargor's assignment of his right to vote or consent. The Chargee's exercise of the right to vote or consent shall not have the effect of deeming the Chargee to be a Chargee in possession.
- d) The Chargor covenants to pay promptly when due any contributions to regular common assessments and special assessments required by him as an owner of the lands and in the event the Chargor defaults in doing so or fails to observe the provisions contained in the *Condominium Act*, the declaration or the by-laws and rules of the Condominium Corporation, as amended from time to time, the Chargee may effect such compliance and any charges or costs incurred thereby by the Chargee shall be payable forthwith, together with interest at the rate set out in the Charge and shall be a charge against the lands.

Note: clauses 22(a), 23, 24 and 25 apply only to single-family dwellings.

PREPAYMENT PRIVILEGES

22. a) When not in default, the Chargor may reimburse before maturity, without indemnity, in one or several payments of no less than one hundred dollars (\$100), an amount not exceeding fifteen percent (15%) of the original amount of the charge loan. This privilege is valid for each year of term or for each term if shorter than one (1) year, and shall not be cumulative.
- b) When not in default, the Chargor may reimburse before maturity any amount, provided however that he pays an indemnity equal to the greater of:
 - i) An amount equal to three (3) months' interest on the amount prepaid, at the interest rate then applicable to the loan;
 - ii) An amount equal to the interest calculated on the amount prepaid, until the maturity date, at an interest rate corresponding to the difference between the interest rate then applicable to the loan and the interest rate in force at the Chargee for a loan with a term of:

One (1) year if, at the time of the payment, less than twenty-four (24) months are left before the loan matures;

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- Two (2) years if, at the time of the payment, from twenty-four (24) to thirty-six (36) months are left before the loan matures;
- Three (3) years if, at the time of the payment, from thirty-six (36) to forty-eight (48) months are left before the loan matures;
- Four (4) years if, at the time of the payment, from forty-eight (48) to sixty (60) months are left before the loan matures;
- Five (5) years if, at the time of the payment, sixty (60) months or more are left before the loan matures.

However, if the payment is made less than three (3) months before the loan matures, the indemnity shall not exceed the interest at the rate then applicable to the loan, reckoned on the amount prepaid from the date of the prepayment to the loan maturity date.

The indemnity shall be calculated in every case on the total amount prepaid notwithstanding clause (a) above.

A prepayment shall not release the Chargor from his obligation to continue making the payments herein specified.

The Chargor covenants that this indemnity is a form of compensation payable in consideration for the repayment made by the Chargor as provided herein and is not a penalty.

INCREASE OF REGULAR PAYMENTS

23. When not in default, the Chargor may, at any time but only once per year or per term if shorter than one (1) year, increase the amount of his regular payments to a maximum of twice their amount, without paying an indemnity. The Chargor may thereafter reduce the amount of his payments to the amount in effect before the increase. In both cases, he is required to sign an agreement to that effect and pay the administration charges applicable thereto, if any.

RENEWAL BEFORE MATURITY

24. When not in default, the Chargor may request the Chargee, any time before the date at which the balance of the loan becomes due, to extend the term of the loan and set new conditions. If the Chargee agrees, the Chargor shall pay an indemnity equal to the greater of:

- a) If the interest rate is reduced, an amount equal to the interest calculated on the balance of the loan until maturity, at a rate corresponding to the difference between the rate then applicable to the loan and the new rate;
- b) An amount of one hundred dollars (\$ 100).

PORTABILITY

25. If the property consists of a single family residence and the Chargor is not in default, the Chargee, subject to the conditions which follow, may allow the Chargor to transfer to a new single family residence owned and occupied by the Chargor (the "new dwelling") a charge (the "new charge") made upon the same terms and conditions, including the interest charged upon the balance of the principal amount secured, as this Charge.

To avail himself of this privilege, the Chargor shall submit to the Chargee a loan application in respect of the new charge and shall comply with all requirements and policies of the Chargee concerning new loans in effect at such time. If the new charge satisfies the Chargee's lending requirements and policies and if the application for the new charge is approved, a discharge will be provided in respect of the single family residence originally charged following registration at the expense of the Chargor of the new charge against the new single family residence. The Chargor will, under these circumstances, be exonerated from payment of the indemnity which would otherwise be payable as a result of prepayment of the Charge except to the extent that the new Charge secures a lesser amount than the principal amount outstanding under this Charge. The Chargor will pay all costs and expenses of and incidental to the approval, taking, preparation, execution and registration of the new Charge and discharge, including the Chargee's usual administration fees.

The Chargor may request that the principal amount outstanding under the Charge at the time of the transfer (the "initial principal") be increased and if the Chargee approves of the increase, the additional amount shall bear interest at the rate of interest in effect at the time it is advanced. The Chargee may request that a single rate of interest be stipulated in the new Charge representing the weighted average of the rates applicable to the initial principal and additional amount respectively. A similar blend will also occur where the due date for the new Charge exceeds or precedes the due date of the initial principal.

MULTIPROJECT OPTION

26. No act of the Chargee, such as an extension of a delay granted as herein provided shall affect the rights of the Chargee as against the Chargor with respect to the payment of the principal amount secured under this Charge. Notwithstanding repayment, in whole or in part, of the loan secured by this Charge, or of any amount secured under this clause, in accepting this Charge, the Chargee agrees that the Chargor may request an advance of new sums already reimbursed as if they had never been used to the extent that the total indebtedness does not exceed the initial principal amount of the Charge. The Chargor's request for such advance must be made in writing and must clearly specify the reason for the loan. The Chargor may, in its sole discretion, accept or refuse the request without prejudice whatsoever to its rights under this Charge. If the Chargee accedes to the Chargor's request, the Chargee may require and the Chargor covenants to pay all administrative fees incurred by the Chargee. Upon acceptance of the Chargor's request and payment of the administration fees by the Chargor, the Chargee and all other mortgages, charges and other security provided herein will guarantee the repayment to the Chargee of any amount so advanced in principal, interest, costs and ancillary expenses and all the provisions of this Charge and the most recent renewal agreement will continue to apply.

Furthermore and without limiting whatsoever the generality of the foregoing, the Chargee agrees that the Chargor may request an extension of delays, which request must be made in writing. The Chargee, in its sole discretion, may accept or refuse such request without prejudice whatsoever to its rights under this Charge.

With respect to all amounts advanced in accordance with this clause, all references made to the loan shall also include a reference to the amounts subsequently advanced whether such new loan is for the purpose of construction, repair or improvement to a building and, the entire advance must be made within three (3) months from the date of acceptance by the Chargee failing which the Chargee may, in its sole discretion, refuse to make any other advance and its prior acceptance will in such event be deemed to have been revoked. The Chargee shall however maintain all its remedies, rights and powers available at law and under this charge, and nothing of the foregoing shall be interpreted so as to deprive the Chargee of its remedies, rights and powers available at Law for such sums already advanced.

In addition to all the costs provided for in this clause, the Chargor shall pay all renewal fees as provided herein.

The Chargor may waive at any time his right to request further advances to the Chargee in accordance with this clause by giving written notice to this effect to the Chargee. This waiver will not affect and will not prejudice the remedies, rights and powers of the Chargee available at Law and under this Charge for sums already advanced.

DISCHARGES

27. After receipt in full of the loan, including all amounts due under this Charge or upon forgiveness in full by the Chargee, the Chargee shall prepare and execute a discharge of this Charge and shall have a reasonable amount of time to do so. An administrative charge and legal and other expenses incurred for the preparation of such discharge shall be borne and paid by the Chargor prior to his entitlement to receive an executed discharge of the Charge.

ASSIGNMENT OF RENTS

28. For due consideration and as security for the repayment of all amounts payable by the Chargor to the Chargee under this Charge and the performance and observance of all the obligations contained in this Charge, the Chargor does assign, transfer and set over onto the Chargee all rents payable from time to time under all leases of the charged lands or any part thereof, whether such leases are presently existing or created or arise in the future together with the benefit of all covenants, agreements and provisos contained in the said leases in favour of the Chargor including the benefit of all guarantees and indemnities contained therein or related thereto and does grant and charge onto the Chargee the reversion to all such leases. The Chargor covenants that he will, after making a lease of the charged lands or any part thereof, forthwith execute and deliver to the Chargee, an assignment in the Chargee's usual form of all rents payable under the said lease, and will execute and deliver to the Chargee all such notices and other documents as may be required by the Chargee to make such assignment effectual in law. Provided however that notwithstanding anything herein contained, no lease of the charged lands or any part thereof made hereafter by the Chargor without the consent in writing of the Chargee shall have priority over this charge or any renewal or extension thereof. Provided further that nothing herein contained shall make the Chargee responsible for the collection of rents payable under any lease of the charged lands or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease and the Chargee shall not by virtue of these presents be deemed a Chargee in possession of the charged lands. The Chargee gives to the Chargor, provided the Chargor is not in default under the charge, the right to collect rents until default under this Charge and the Chargee shall be liable to account to the Chargor for only such rents as actually coming to his hands less reasonable collection charges in respect thereof.

BANKRUPTCY OF CHARGOR

29. The Chargor and the Chargee covenant and agree that in the event the Chargor makes an assignment for the benefit of creditors or is the subject of an execution or distress or is bankrupt or insolvent, the Charge shall be deemed to be in default and the Chargee may exercise all of its remedies, rights and powers available at Law and under this charge, including the power of sale herein contained.

RECEIVERSHIP

30. Notwithstanding anything herein contained, it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents, the Chargee may, at such time and from time to time and with or without entry into possession of the lands, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver of the lands, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another in his stead, and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor, but no such appointment shall be revocable by the Chargor. Upon the appointment of any such receiver the following provisions shall apply:

- a) Every such receiver shall have unlimited access to the lands as agent and attorney for the Chargor (which right of access shall not be revocable by the Chargor) and shall have full power and unlimited authority to:
 - i) Collect the rents and profits from tenancies or operation of the lands whether created before or after the Charge;
 - ii) Rent or operate any portion of the lands which may become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - iii) Complete the construction of any building or buildings or other erections or improvements on the lands left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and/or maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
 - iv) Manage, operate, repair, alter or extend the lands or any part thereof.

The Chargor undertakes to ratify and confirm whatever any such receiver or agent may do.

- b) The Chargee may at its discretion vest the receiver with all or any of the rights and powers of the Chargee.
- c) The Chargee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the lands.
- d) Every such receiver shall be deemed the agent or attorney of the Chargor and not, in any event, the agent of the Chargee and the Chargee shall not be responsible for his acts or omissions.
- e) The appointment of any such receiver by the Chargee shall not result in or create any liability or obligation on the part of the Chargee to the receiver or to the Chargor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Chargee a Chargee in possession of the lands.

f) No such receiver shall be liable to the Chargor to account for monies other than monies actually received by him in respect of the lands, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

- i) The receiver's remuneration as aforesaid;
- ii) All costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of his powers and authority hereby conferred;
- iii) Interest, principal and other money which may, from time to time, be or become charged upon the lands in priority to the Charge, including taxes;
- iv) To the Chargee all interest, principal and other amounts due under the Charge to be paid in such order as the Chargee in its discretion shall determine;
- v) And thereafter, every such receiver shall be accountable to the Chargor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Chargor on demand and shall be a charge on the lands and shall bear interest from the date of demand at the same rate as applies to the principal secured by this Charge.

g) Save as to claims for accounting under sub-clause (f) of this clause, the Chargor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not which arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.

h) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to any such receiver.

i) The statutory declaration of an officer of the Chargee as to default under the provisions of the Charge and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purpose of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers, which the Chargee may have.

ENVIRONMENT

Definitions

31. a) The following definitions apply to this clause:

Abutting property: means any property which abuts or is contiguous to the project

Adverse effect: means one or more of the following:

- i) Impairment of the quality of the natural environment for any use that can be made of it,
- ii) Injury or damage to property, plant or animal life,
- iii) Harm or material discomfort to any person,
- iv) Alteration to the health of any person, animal or vegetation,
- v) Impairment of the safety of any person,
- vi) Rendering any property, plant or animal life unfit for human use,
- vii) Loss of enjoyment of normal use of property,
- viii) Interference with the normal conduct of business.

Contaminant: means any solid, liquid, gas, sound, heat, odour, vibration, radiation, pollutant or combination of any of them resulting directly or indirectly from human activities that may cause an adverse effect

Discharge: includes addition, deposit, loss, emission, spill or leaking; when used as a verb, includes to add, deposit, lose, emit, spill or leak

Document: includes a sound recording, video tape, film, photograph, chart, graph, map, plan, survey, study, audit, book of accounts and information recorded or stored by means of any device and includes statements of account, bank statements, letters, notices, files and any other writing or thing relating to the project, the activities of the Chargee, the property upon which the Chargee exercises his activities or relating to any other discussion or matter of the Chargee or any activity exercised by the Chargee which may have an environmental effect

Environmental laws: includes all international, federal, provincial, and municipal legislation, all regulations, treaty, by-law, code, agreement presently in force or which may come into force in the future which has as object the protection of the environment or which relates to or governs hazardous products, the transportation of hazardous products, the sources of contamination, toxic discharges, toxic waste, contaminants and pollutants and, without limiting the generality of the foregoing, includes the *Environmental Protection Act* of Ontario and the *Canadian Environmental Protection Act*, as amended from time to time by Legislature or Parliament

Hazardous product: means collectively any contaminant, toxic substance or any other substance which, if it was discharged in the environment, could cause immediately or in the future, an adverse effect

Project: includes the lands including all surface land of the project (which is not contained in a building), immersed land, any body of water running over the lands, sub-soil or any combination or part thereof and any activity exercised on the lands

Source of contamination: means anything that discharges into the natural environment any contaminant

Surrounding property: means all property which may suffer an adverse effect by the source of contamination

In the event the definitions set forth in this clause are given a broader meaning than he one used herein pursuant to any amendment to any applicable law, the definitions found in this clause shall include such broader meaning.

Covenants

- b) The Chargor covenants with the Chargee and warrants the following:
- i) The Chargor shall not cause or permit to be caused the discharge of hazardous products or contaminants upon the project or from the project upon any abutting property or surrounding property or in a body of water running into the project or into any abutting property or surrounding property;
 - ii) The Chargor shall at all times comply with environmental laws and shall take all measures in order to ensure that any person that has been given permission to use, occupy, manage or operate the project, complies with environmental laws;
 - iii) The Chargor hereby grants to the Chargee the absolute right to conduct from time to time, at the Chargor's expense, tests, inspections, studies, verifications or environmental audits, including the right to conduct soil tests or water tests or any other thing and take samples of the project;
 - iv) The Chargor hereby gives unlimited access to the Chargee to all of the Chargor's documents relating to the project and this right shall include the right to make copies of such documents and maintain control thereof;
 - v) The Chargor shall not exercise and shall not permit any person to exercise any activity which could lead to the imposition of a penalty, directive, fine, order, injunction, action, judgment or liability under the environmental laws or which have the effect of creating any lien upon the project;
 - vi) The Chargor shall comply with all requirements of the environmental laws and without limiting the generality of the foregoing, shall obtain all required permits, licenses and other authorizations relating to the project;
 - vii) The Chargor covenants to immediately advise the Chargee of any discharge of a hazardous product or contaminant upon the project or from the project and covenants to immediately provide the Chargee with copies of any order, by-law, notice, permit, application, judgment, penalty, procedure, communication or document relating to the discharge or to any other environmental matter which may have an effect on the project;
 - viii) The Chargor covenants and undertakes to promptly remove, at his cost, all hazardous products or contaminants upon the project, abutting property, surrounding property and body of water affected;
 - ix) The Chargor shall not install or permit to be installed upon the project any urea formaldehyde foam insulation, asbestos, or any other hazardous product;
 - x) The Chargor shall immediately advise the Chargee of any possible violation, anticipated or effective of the environmental laws and any inquiry completed, being completed or anticipated;
 - xi) Upon the originating requests of the Chargee, the Chargor shall at his expense, provide to the Chargee copies of all environmental audits of the project or verification including copies of updates of such audits or verifications;
 - xii) Upon receipt of any documentation relating to the project, which raises an environmental issue, the Chargor undertakes to forthwith provide a copy thereof to the Chargee.

Indemnity

- c) The Chargor undertakes to indemnify and save harmless the Chargee, its agents, administrators, directors, employees, receivers and receiver managers, with respect to all losses, liabilities, claims, damages, costs, expenses, legal fees, disbursements and any other prejudice it may suffer:
- i) Pursuant to the environmental laws including any lien;
 - ii) By reason of the discharge of hazardous products or contaminants into the environment and without limiting the generality of the foregoing, including all costs necessary to defend and/or sustain an action between defendants, a counterclaim or a third party claim and for all costs, liabilities and damages resulting from a settlement made by the Chargee; and
 - iii) By reason of the obligation to comply with the requirements of an order, by-law, injunction, judgment, regulation or other similar obligation issued because of the deposit, storage, destruction, burying, injection, spill, discharge, placement or installation upon the project, the abutting property or surrounding property of hazardous products or contaminants, notwithstanding the degree of involvement or knowledge of the Chargor and, for the application of this clause, it is inconsequential that the events giving rise to this obligation took place prior to or after the date of this Charge.

The obligations and covenants of this clause shall survive the foreclosure, extinction or other release or discharge of the Charge. Any amount for which the Chargor shall be accountable to the Chargee pursuant to this clause and which the Chargee shall itself have to pay shall, subject to the within indemnity, be added to the debt and shall bear interest at the rate provided in the Charge.

Right of access and other rights of the Chargee

- d) In the event of a discharge of a hazardous product or contaminant which may have an adverse affect, whether or not the source of the contamination is the project, or in the event the Chorgor is in default of his obligations under the environmental laws, the Chargee may, in its sole discretion and without any obligation whatsoever, give any notice and conduct any work which the Chargee deems necessary and reasonable for the project and take any other measure to remedy the spill, discharge or emission or to remedy the Chorgor's default.

The Chargee may, at all times, in its sole discretion and without any obligation whatsoever, whether or not there is default, enter upon the project to inspect it, conduct tests, studies, verifications, audits or other environmental measures deemed necessary.

It is understood that any exercise by the Chargee of its right to enter, conduct work, require information and be advised of environmental measures, in no way constitutes and shall not be deemed to constitute the entering into possession of the project by the Chargee and nothing in the foregoing and in these presents shall be interpreted to find or deem the Chargee to be having the control, responsibility, management or occupation of the project.

The Chorgor covenants that any failure to comply or fulfill the covenants, obligations or provisos contained in this clause shall constitute a default under the Charge and the Chargee shall be entitled, in its sole discretion and without any obligation whatsoever, to exercise all its remedies, rights and powers available at Law and under this Charge, including the power of sale herein contained.

SPOUSE'S CONSENT

32. The spouse of the Chorgor consents to the transaction evidenced by the Charge and releases all interest in the charged lands to the extent necessary to give effect to the rights of the Chargee hereunder, and agrees that the Chargee may, without further notice, deal with the Chorgor regarding the lands and the debt created by the Charge as the Chargee may see fit.

NOTIFICATION OF CHANGES

33. The Chorgor agrees to advise the Chargee forthwith after any change or happening affecting any of the following:

- a) The civil status of the Chorgor;
- b) The qualification of the lands as a matrimonial home within the meaning of Part II of the *Family Law Act*, as amended from time to time;
- c) The ownership of the said lands;

in order that the Chargee be kept fully informed of the names and addresses of the owners of the lands and of any person who has a right of possession in the said lands by virtue of Section 19 of the *Family Law Act*, as amended from time to time. In furtherance of this intention the Chorgor agrees to provide to the Chargee upon request such evidence as may be deemed by him necessary as to items a), b), c) aforesaid.

CORPORATIONS

34. The Chorgor and the Chargee covenant and agree that the following events shall constitute a default under this Charge, where the Chorgor is a corporation and same:

- a) Ceases to operate all or part of its business activities, is liquidated or dissolved or wound up, makes an assignment for the benefit of creditors or receivership, is bankrupt or the subject of an execution or distress;
- b) Is in default pursuant to any other loan obligations;
- c) Changes the effective control of the corporation; or
- d) Reorganizes, amalgamates, transfers the lands to a non-arms-length party, without the prior written consent of the Chargee.

COMPLIANCE WITH LAWS

35. The Chorgor covenants and agrees to promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directives, ordinances, and regulations of every governmental authority and agency concerning the lands and will, at its own expense, make any and all improvements thereon or alterations thereto, structural or otherwise, which may be required at any time by any such present or future law, rule, requirement, order, directive, ordinance or regulation. The Chargee, whenever it deems necessary, may by its surveyor or agent enter upon and inspect the lands and make such improvements and alterations as the Chargee deems necessary to render the lands in compliance with such laws, rules, requirements, orders, directives, ordinances or regulations and the reasonable cost of such inspection, improvements and alterations with interest at the rate set forth in the Charge shall be payable forthwith and be a charge upon the lands.

NOTICE

36. Unless otherwise provided at Law or in the Charge, any notice required or contemplated pursuant to this Charge, including all demands for payment, shall be made in writing and:
- a) If given to the Chargor, may be sent by registered mail to the last known address for the Chargor as shown in the Chargee's files or delivered personally to the Chargor at that address;
 - b) If given to the Chargee, may be sent by registered mail to the office of the Chargee where the payments under this Charge are required to be made or delivered personally at that address;

and such notices shall be deemed to have been given and received on the date on which they were delivered personally or, if sent by registered mail, the third working day following the date on which they were mailed, whether or not they are received.

SEVERABILITY OF INVALID PROVISIONS

37. It is agreed that at any time any provision of these presents is illegal, invalid, inapplicable or inconsistent with the provisions of any applicable statute or regulation thereunder or would by reason of the provisions of any such statute or regulation render the Chargee unable to collect the amount of any loss sustained by it as a result of making this Charge which it would otherwise be able to collect under such statute, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid, inapplicable, or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

CLAUSE HEADINGS

38. The clause headings herein are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

INTERPRETATION

39. The parties hereto agree that the following terms shall for the purpose of this Charge have the following meanings:

Charge / mortgage: means Form 2, as amended prescribed under the *Land Registration Reform Act*, as amended from time to time, any schedule attached thereto, and of this Set of Standard Charge Terms, as well as all renewals and amendments thereto;

Chargee: shall include the successors and assigns of the Chargee

Chargor: shall include the heirs, executors, administrators, successors and assigns of the Chargor

Condominium Corporation: means the Condominium Corporation referred to in the legal description of the lands;

Declaration: means the declaration registered which relates to the Condominium Corporation

Guarantor: shall include the heirs, executors, administrators, successors and assigns of the guarantor

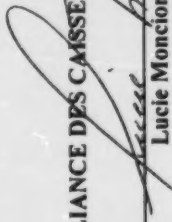
Lands: shall mean the lands more particularly described in box 5 on Form 2, as amended, together with all buildings, constructions and improvements whether affixed or otherwise, present or future, including without restricting the generality of the foregoing all fences, installations for heating, plumbing, air conditioning, ventilation, lighting, water heaters, stoves, refrigerators, storm windows and doors and all fixtures.

Words in the singular shall include the plural and vice-versa, and words in the masculine shall include the feminine and vice-versa where the context requires.

Dated the 23rd Day of November, 2001

L'ALLIANCE DES CAISSES POPULAIRES DE L'ONTARIO LIMITÉE

Per


Lucie Moncion, General Manager

COMPILATION DES DISPOSITIONS TYPES
AFFÉRENTES AUX PRÊTS HYPOTHÉCAIRES

Déposée par L'ALLIANCE DES CAISSES POPULAIRES DE L'ONTARIO LIMITÉE

"This set is the French version of the Standard Charge Terms filed under number , 200115.

"La présente liste constitue la version française des clauses types de charge déposées sous la cote 200115.

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STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 200115a Cote

Filing Date Dec 4, 2001 Date de Dépôt

Page 1 of 16 Sixteen (16) Pages

Jan Veith

DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMEUBLES

EXCLUSION DES ENGAGEMENTS PRESCRITS PAR LA LOI

1. Les parties conviennent que les engagements qui sont réputés faire partie de tout acte de garantie hypothécaire en vertu de l'article 7 (1) de la *Loi portant réforme de l'enregistrement des droits immobiliers*, telle que modifiée de temps à autre, sont exclus du présent acte et remplacés par les engagements qui suivent.

CRÉATION DE LA CHARGE

2. Le débiteur hypothécaire accorde au créancier hypothécaire une charge contre le bien-fonds dont la désignation apparaît dans l'hypothèque en garantie du remboursement de la somme en principal indiquée sur ladite hypothèque, des intérêts calculés au taux indiqué sur ladite hypothèque, des frais et sommes payables en vertu des présentes et des engagements, obligations et dispositions contenus dans les présentes, selon les modalités indiquées dans l'hypothèque avec tous les recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de l'hypothèque, y compris le pouvoir de vente qui y est contenu.

ANNULATION DE LA CHARGE

3. La charge contre le bien-fonds accordée au créancier hypothécaire, cesse et devient nulle et sans effet après paiement au créancier hypothécaire, à son siège social ou, à tout endroit désigné par le créancier hypothécaire, en monnaie légale du Canada, de la somme en principal indiquée dans l'hypothèque et de l'intérêt au taux indiqué dans l'hypothèque, calculé aux périodes indiquées dans ladite hypothèque, après comme avant l'échéance, défaut ou jugement, jusqu'à parfait paiement, selon les modalités décrites ci-dessous, ainsi que le paiement de toutes autres sommes payables en vertu des présentes, incluant tous impôts fonciers, redevances, services publics relatifs au bien-fonds et de l'observation par le débiteur hypothécaire de tous les engagements, obligations et dispositions contenus dans les présentes.

L'intérêt au taux indiqué dans l'hypothèque sur les sommes avancées de temps à autre, calculé à compter de la date respective de chaque avance jusqu'à la date du rajustement des intérêts indiquée dans l'hypothèque, est exigible et doit être payé à la date du rajustement des intérêts, par après, la somme en principal et les intérêts s'y rapportant sont payables selon les modalités et aux dates indiquées dans l'hypothèque. Tout versement est appliqué en premier lieu à l'intérêt calculé selon les modalités stipulées dans l'hypothèque sur la somme en principal impayée de temps à autre, et l'excédent s'il en est appliqué en réduction du principal.

INTÉRÊT IMPUTÉ AUX ARRÉRAGES

4. Il est convenu qu'à l'advenant défaut de régler toute somme due au titre des intérêts à la date stipulée pour le règlement de celle-ci, de l'intérêt composé devient exigible et les sommes en arrérages au titre des intérêts de temps à autre, aussi bien avant qu'après échéance, portent intérêt au taux stipulé dans l'hypothèque. Advenant que l'intérêt et l'intérêt composé ne soient pas réglés dans une période de deux mois à compter de la date de défaut, un repos s'ensuit, et la totalité des sommes dues à ce moment porte intérêt composé au taux stipulé dans l'hypothèque, aussi bien avant qu'après échéance, et il en va de sorte de temps à autre. Tous ces intérêts et intérêts composés grèvent le bien-fonds.

AVANCES DU PRINCIPAL

5. Le débiteur hypothécaire convient que ni la préparation de cette hypothèque, la signature de celle-ci ou son enregistrement n'obligent le créancier hypothécaire à avancer la somme en principal garantie sous cette hypothèque. Pareillement, l'avance d'une partie de la somme en principal garantie sous cette hypothèque n'oblige pas le créancier hypothécaire à avancer toute autre partie de celle-ci encore non déboursée. Néanmoins, cette hypothèque prend effet dès qu'elle est signée par le débiteur hypothécaire, et les frais et dépens encourus pour l'examen des titres, toutes recherches afférentes et la rédaction de cette hypothèque de même que les frais d'évaluation sont garantis par la présente hypothèque dans l'éventualité où la totalité ou une partie de la somme en principal n'est pas déboursée. Ces frais grèvent le bien-fonds, et sont, sans nécessité d'en faire demande, exigibles sur-le-champ, et portent intérêt au taux stipulé dans l'hypothèque; advenant défaut de paiement le créancier hypothécaire peut exercer le pouvoir de vente et tous les recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque.

IMPÔTS FONCIERS

6. Au titre des taxes municipales, des taxes scolaires, et des taxes d'amélioration locale et toutes autres taxes imposées par toute autorité ayant compétence en la matière et qui sont imputables contre le bien-fonds (ci-après appelées les "impôts fonciers"), il est convenu de ce qui suit:
 - a) Sujet aux dispositions de la présente clause, le débiteur hypothécaire convient d'acquitter tous les impôts fonciers imputables contre le bien-fonds à leur échéance;
 - b) Le débiteur hypothécaire s'engage également à fournir au créancier hypothécaire, si ce dernier l'exige, les reçus d'impôts fonciers attestant le paiement des dits impôts fonciers à l'intérieur des trente jours suivants la date à laquelle ils étaient dus;
 - c) Le créancier hypothécaire peut déduire de la dernière avance d'argent garantie par cette hypothèque un montant suffisant pour payer les impôts fonciers dus au moment où cette dernière avance est effectuée;

d) Si le créancier hypothécaire l'exige, le débiteur hypothécaire paye à chaque mois au créancier hypothécaire un douzième du montant des impôts fonciers exigibles pour l'année à venir tels qu'estimés par le créancier hypothécaire; le débiteur hypothécaire doit aussi sur demande payer au créancier hypothécaire la différence s'il en est entre les impôts fonciers perçus et le montant estimé par le créancier hypothécaire;

e) Le débiteur hypothécaire doit payer de l'intérêt au taux indiqué dans l'hypothèque sur tout solde débiteur porté au compte maintenu par le créancier hypothécaire au titre des impôts fonciers, après l'acquiescement par le créancier hypothécaire des impôts fonciers, jusqu'à ce que le solde débiteur soit acquitté et cette somme est exigible sur-le-champ, s'ajoute à la créance hypothécaire et grève le bien-fonds.

Le créancier hypothécaire accepte d'appliquer ces déductions et paiements aux impôts fonciers levés sur le bien-fonds aussi longtemps que le débiteur hypothécaire respecte les engagements de la présente hypothèque quels qu'ils soient; cependant les présentes n'imposent aucune obligation au créancier hypothécaire d'appliquer ces paiements au règlement des impôts fonciers plus d'une fois l'an, et le créancier hypothécaire ne sera pas obligé de payer de l'intérêt ou autres indemnités sur de tels paiements. Si, avant que toute somme payée au créancier hypothécaire n'ait été ainsi appliquée en règlement des impôts fonciers, il y a défaut de la part du débiteur hypothécaire d'effectuer tout paiement stipulé sous l'hypothèque, le créancier hypothécaire peut appliquer ladite somme au règlement du paiement en défaut. Aucune disposition de cette hypothèque n'a pour effet de relever le débiteur hypothécaire de son obligation d'acquiescer les impôts fonciers dans la mesure où les sommes appliquées au règlement des impôts fonciers par le créancier hypothécaire ne suffisent pas à acquiescer les impôts fonciers en entier. En outre, le débiteur hypothécaire s'engage à transmettre, dès réception, au créancier hypothécaire les avis de cotisation, comptes d'impôts fonciers et tous autres avis ayant une incidence sur la levée des impôts fonciers.

ENGAGEMENTS DU DÉBITEUR HYPOTHÉCAIRE

7. Le débiteur hypothécaire prend les engagements suivants envers le créancier hypothécaire et lui garantit ce qui suit:

REMBOURSEMENT DU PRINCIPAL ET DES INTÉRÊTS ET OBSERVATION DES ENGAGEMENTS

a) Le débiteur hypothécaire s'engage auprès du créancier hypothécaire à rembourser, sans déduction ou diminution, les sommes avancées en vertu de l'hypothèque et les intérêts y afférents selon les dispositions de l'hypothèque; à régler à leur échéance, les taxes, cotisations ou autres impôts fonciers, et corvées imposés par toute autorité municipale, locale, toute législation ou toute autre autorité compétente en la matière, imputés ou levés actuellement ou ultérieurement sur le bien-fonds, et à produire au créancier hypothécaire sur demande, des reçus attestant lesdits paiements; à affecter, observer, exécuter, remplir et respecter toutes les dispositions, engagements, ententes et stipulations prévus dans l'hypothèque; et qu'advenant tout défaut le créancier hypothécaire aura possession paisible du bien-fonds, libre et quitte de toute charge.

Sans porter atteinte aux droits dont dispose le créancier hypothécaire en vertu de l'article 44 de la Loi sur les Caisses Populaires et Credit Unions, telle que modifiée de temps à autre, le débiteur hypothécaire autorise le créancier hypothécaire à prélever de tout compte qu'il maintient chez le créancier hypothécaire, les versements ou autres sommes dus sous cette hypothèque.

POUVOIR DE CRÉER LA CHARGE

b) Le débiteur hypothécaire représente et garantit au créancier hypothécaire qu'il a bon droit, plein pouvoir et autorité absolue de créer la charge établie par cette hypothèque contre le bien-fonds.

TITRE

c) Le débiteur hypothécaire représente et garantit au créancier hypothécaire qu'au moment de la signature de l'hypothèque, il détient un droit héréditaire en fief simple, valide et incontestable sur le bien-fonds, libre et quitte de toute charge, servitude, réserve, reconnue en équité ou autre intérêt de toute sorte, sauf ceux qui apparaissent aux registres maintenus au bureau d'enregistrement.

AUTRES CHARGES DE RANG PRIORITAIRE

d) Le débiteur hypothécaire représente et garantit au créancier hypothécaire qu'il n'a pas, par ses actes ou omissions ou par son accord, permis ou fait en sorte que le bien-fonds soit présentement ou puisse à l'avenir être grevé par toute charge, servitude, réserve reconnue en équité ou intérêt de toute sorte, sauf ceux qui apparaissent aux registres maintenus au bureau d'enregistrement.

ASSURANCES

e) Le débiteur hypothécaire s'engage à assurer immédiatement tous les bâtiments situés sur le bien-fonds ou construits par la suite pour une somme qui n'est pas moindre que leur pleine valeur de remplacement et à les maintenir assurés pendant toute la durée de cette hypothèque, en faveur du créancier hypothécaire, contre la perte et les dommages causés par le feu, et aussi par l'explosion, la tempête, la tornade, le cyclone, la foudre, et tout autre risque ou danger sur demande du créancier hypothécaire.

Le débiteur hypothécaire s'engage à produire au créancier hypothécaire, au moins quinze jours avant l'échéance de toute police d'assurance, et au moins cinq jours avant la date de prise d'effet de tout avis de résiliation, la preuve qu'il a reconduit ou remplacé ces assurances, sans quoi le créancier hypothécaire peut y pourvoir et en imputer les frais, qui portent intérêt au taux de cette hypothèque, au débiteur hypothécaire et ces sommes sont exigibles sur-le-champ et grèvent le bien-fonds. Il est de plus convenu que le créancier hypothécaire peut en tout temps exiger que toute police d'assurance relative aux bâtiments soit annulée et qu'une nouvelle police d'assurance soit souscrite par une compagnie d'assurances désignée par le créancier hypothécaire. Le créancier hypothécaire peut de son seul accord placer ou maintenir toute assurance prévue par cette clause et toute somme payée par le créancier hypothécaire à ces fins porte intérêt au taux de l'hypothèque, est exigible sur-le-champ du débiteur hypothécaire et grève le bien-fonds. Toute police d'assurance doit prévoir que l'indemnité en cas de perte doit être versée au créancier hypothécaire, dans la mesure des intérêts qu'il détient dans le bien-fonds et doit comporter une clause hypothécaire type établie dans les termes approuvés par le créancier hypothécaire. Le créancier hypothécaire peut à son entière discrétion exiger que toute indemnité versée en cas de perte soit affectée en tout ou en partie à la créance hypothécaire, que celle-ci soit à ce moment exigible ou non.

DÉCHÉANCE DU TERME

- f) En cas de non-paiement des intérêts, de tout versement de principal ou de toute autre somme payable par le débiteur hypothécaire au créancier hypothécaire, en tout ou en partie, en vertu de l'hypothèque ou, advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, le créancier hypothécaire peut à sa seule discrétion exiger sur-le-champ le remboursement intégral du principal, des intérêts et de toute autre somme due en vertu de l'hypothèque. À défaut de paiement, le créancier hypothécaire peut exercer tous ses recours, droits et pouvoirs conférés en loi, et en vertu de cette hypothèque y compris le pouvoir de vente qui y est contenu. Il est prévu que le créancier hypothécaire peut renoncer par écrit à son droit d'exiger le remboursement intégral du principal, des intérêts et de toute autre somme due en vertu de l'hypothèque mais que nonobstant cette renonciation, il lui sera loisible d'exercer ultérieurement ce droit ou de l'exercer à la suite de tout autre défaut.

Le débiteur hypothécaire représente et garantit au créancier hypothécaire que dans l'éventualité où le remboursement intégral du principal, des intérêts et de toutes autres sommes dues en vertu de l'hypothèque deviendraient exigibles tel que prévu dans la présente clause, il ne pourra exiger que le créancier hypothécaire accepte par après ce remboursement de principal sans donner au préalable trois mois d'avis par écrit ou sans payer une indemnité calculée selon la formule prévue à la clause 22(b) des présentes. Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement intégral du principal par le débiteur hypothécaire et non à titre de pénalité.

SAISIE-GAGERIE

- g) Le créancier hypothécaire peut exercer un recours en saisie-gagerie relativement aux arriérés d'intérêt, de principal, et relativement à toutes autres sommes dues en vertu de l'hypothèque. Les coûts relatifs à l'exercice par le créancier hypothécaire d'un recours en saisie-gagerie sont exigibles du débiteur hypothécaire sur-le-champ et portent intérêt au même taux d'intérêt que celui prévu dans l'hypothèque et grèvent le bien-fonds.

PRISE DE POSSESSION ADVENANT DÉFAUT

- h) En cas de non-paiement des intérêts, de tout versement de principal et de toute autre somme due par le débiteur hypothécaire au créancier hypothécaire, en tout ou en partie en vertu de l'hypothèque, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, le créancier hypothécaire peut prendre possession du bien-fonds et à ce moment il en obtient la jouissance paisible, libre, et quitte de toute charge, saisie-exécution ou autres encombrements et le débiteur hypothécaire renonce à ce moment à toutes ses prétentions sur le bien-fonds.

AUTRES GESTES NÉCESSAIRES POUR PARFAIRE LE TITRE

- i) En tout temps, le débiteur hypothécaire et quiconque possède un droit ou une réclamation contre l'ensemble ou une partie du bien-fonds, seront tenus, aux frais du débiteur hypothécaire, de souscrire, remettre ou obtenir tout acte ou autre document et de poser tout acte, que le créancier hypothécaire ou son procureur pourra juger nécessaires afin de parfaire le titre et intérêt du créancier hypothécaire au bien-fonds grevé par l'hypothèque et, les coûts pour ce faire sont exigibles du débiteur hypothécaire sur-le-champ, portent intérêt au taux d'intérêt prévu dans l'hypothèque et grèvent le bien-fonds.

DÉGRADATION DU BIEN-FONDS

- j) Le débiteur hypothécaire s'engage à maintenir le bien-fonds et les bâtiments et améliorations qui s'y trouvent lors de la constitution de l'hypothèque ou postérieurement à cette date en bon état de réparation, et le créancier hypothécaire peut en tout temps lorsqu'il le juge nécessaire, lui-même ou par l'entremise d'un agent, pénétrer sur le bien-fonds et dans les bâtiments afin d'en faire l'inspection et d'effectuer les réparations qu'il juge nécessaires. Les frais ainsi engagés, qui portent intérêt au taux prévu dans l'hypothèque, sont exigibles du débiteur hypothécaire sur-le-champ et grèvent le bien-fonds. Si le débiteur hypothécaire déroge à son engagement de maintenir le bien-fonds et les bâtiments et améliorations qui s'y trouvent en bon état de réparation ou, comme on le permet que soient commises des dégradations (ce dont le créancier hypothécaire est seul juge) le créancier hypothécaire peut sur-le-champ exiger le remboursement intégral du principal, des intérêts et de toutes autres sommes dues sous l'hypothèque, et à défaut de paiement, le créancier hypothécaire peut exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu. Le débiteur hypothécaire s'engage également à aviser le créancier hypothécaire sur-le-champ de toutes ordonnances ou avis ayant trait au bien-fonds et émis par toute autorité ayant compétence en la matière, et le débiteur hypothécaire convient que de tels ordonnances ou avis constituent un défaut en vertu de l'hypothèque qui permet au créancier hypothécaire d'exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

POUVOIR DE VENTE

- k) Advenant défaut de paiement du principal ou des intérêts, en tout ou en partie, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, le créancier hypothécaire peut reprendre possession du bien-fonds grevé par l'hypothèque et percevoir tous loyers ou revenus tirés de celui-ci, et le créancier hypothécaire, qu'il ait ou non repris possession du bien-fonds, peut donner à bail toute partie du bien-fonds à sa discrétion.

En outre, advenant défaut de paiement du principal ou des intérêts, en tout ou en partie, ou advenant tout manquement par le débiteur hypothécaire à l'un quelconque des engagements, obligations et dispositions contenus dans l'hypothèque, et que ce défaut persiste pour une période de quinze jours sans avoir été remédié, le créancier hypothécaire peut, après avoir donné un avis écrit d'au moins trente-cinq jours aux personnes et de la façon prescrites sous la Partie 111 de la *Loi sur les hypothèques*, telle que modifiée de temps à autre, sans autre consentement ou concours du débiteur hypothécaire, vendre et aliéner de façon péremptoire le bien-fonds grevé par l'hypothèque ou toute partie de celui-ci, soit aux enchères ou par contrat privé ou en partie aux enchères et en partie par contrat privé, à son choix et le créancier hypothécaire peut céder et transporter le bien-fonds dans l'éventualité d'une telle vente, à l'acheteur ou aux acheteurs, leurs héritiers, exécuteurs testamentaires, administrateurs et ayant droit, et souscrire et passer tout acte ou poser tout geste nécessaire à cette fin. Le créancier hypothécaire n'est pas tenu responsable et ne doit répondre d'aucune perte découlant de baux qu'il a donnés ou de ventes qu'il a effectuées à moins que cette perte ne se produise en raison d'une omission ou défaut délibérés de la part du créancier hypothécaire.

La production des présentes tient lieu de preuve concluante de l'existence continue de la somme en principal et intérêt, ou d'une partie de ceux-ci, de même que tout défaut.

Par suite de toute vente conclue conformément aux dispositions susdites, le créancier hypothécaire perçoit le produit de la vente, de même que toute indemnité versée en vertu de toute police d'assurance relative au bien-fonds, et les détient en fiducie aux fins suivantes:

Le créancier hypothécaire affecte le produit de la vente en premier lieu au paiement et à l'acquittement des frais et dépens encourus afin de préparer et d'effectuer tous baux, transports ou ventes susdits ou tentatives de se faire, et tous autres frais, dépenses ou dommages supportés ou encourus par le créancier hypothécaire au titre des impôts fonciers, des loyers, de l'assurance ou des réparations, de même que tous autres frais encourus ou supportés par le créancier hypothécaire dans l'exécution de la fiducie constituée en vertu des dispositions susdites;

En second lieu, le créancier hypothécaire affecte le produit de la vente au paiement et à l'acquittement des intérêts et du principal dus en vertu de cette hypothèque, calculés jusqu'au moment où le principal est réglé en entier;

Dans la mesure où après parfait paiement des sommes dues en vertu de cette hypothèque un surplus demeure, le créancier hypothécaire affecte le produit de la vente au paiement des charges subséquentes conformément à leur priorité en vertu de toute loi applicable et remet tout surplus au débiteur hypothécaire ou à toute personne désignée par ce dernier, et dans cette éventualité, à la demande et aux frais du débiteur hypothécaire, cède ou transporte au débiteur hypothécaire ou à toute personne désignée par ce dernier, toute partie du bien-fonds, qu'il n'a pas vendue conformément aux dispositions susdites, ou en donne mainlevée, libre et quitte de toute réclamation de la part du créancier hypothécaire.

Il est en outre reconnu et convenu que nonobstant le pouvoir de vente et tout autre droit, pouvoir ou faculté contenus dans cette hypothèque, le créancier hypothécaire conserve son droit de procéder à la forclusion du fief de propriété du débiteur hypothécaire dans le bien-fonds, de la même façon qu'il aurait pu exercer ce droit si cette hypothèque ne contenait pas ce pouvoir de vente et ces autres pouvoirs ou facultés.

Il est convenu que tout avis sera donné de la façon et aux personnes stipulées par la Loi sur les hypothèques, telle que modifiée de temps à autre en vigueur au moment où ces avis sont donnés et en l'absence d'une disposition de la Loi sur les hypothèques, telle que modifiée de temps à autre à ce sujet, ou si ces dispositions ne s'appliquent pas, tout avis peut être donné et est réputé valable s'il est remis sur les lieux à une personne qui paraît majeure, lorsque le bien-fonds est occupé, placé sur le bien-fonds si celui-ci n'est pas occupé ou, au choix du créancier hypothécaire, posté par courrier recommandé adressé au débiteur hypothécaire à sa dernière adresse connue, ou publié une fois dans un journal publié dans le comté ou district où est situé le bien-fonds; tout avis est suffisant même s'il ne nomme la personne à qui il s'adresse par son nom ou sa désignation et même si toute personne concernée par l'avis est inconnue, souffre d'incapacité ou est non-identifiée.

Le créancier hypothécaire peut vendre toute partie du bien-fonds à crédit, aux conditions qui lui semblent les plus avantageuses, et aux prix qu'il peut en tirer après efforts raisonnables. Le créancier hypothécaire peut encherir et acheter à l'occasion d'une telle vente, et peut résoudre ou modifier tout contrat de vente d'une partie ou de la totalité du bien-fonds, et le revendre sans qu'il ne soit tenu responsable ou n'ait à répondre de toute perte occasionnée de ce fait. Dans le cas d'une vente à crédit, le créancier hypothécaire n'est tenu de remettre au débiteur hypothécaire que les sommes qu'il a effectivement reçues de l'acheteur après l'acquittement complet de toutes réclamations en faveur du créancier hypothécaire. Tout acheteur ou locataire ne sera pas tenu de s'assurer du bien fondé d'une vente ou d'un bail, ni de vérifier si les règles et prescriptions ont été suivies. Un avis, même exprès de tout vice de forme ou de toute autre irrégularité entourant toute vente ou bail ne lie et ne porte aucunement atteinte à l'acheteur ou au locataire. L'omission de donner ou de publier tout avis requis ne porte pas atteinte et n'invalide d'aucune façon tout bail ou vente effectué en vertu de cette hypothèque.

Le débiteur hypothécaire convient de rembourser au créancier hypothécaire tous les honoraires et autres frais juridiques (calculés sur la base procureur-client), les commissions de tous courtiers d'immeuble, et tous autres frais engagés par le créancier hypothécaire dans l'exercice des pouvoirs de vente contenus dans cette hypothèque et tous ces honoraires, commissions et autres frais portent intérêt au taux d'intérêt prévu dans l'hypothèque, sont exigibles du débiteur hypothécaire sur-le-champ et grèvent le bien-fonds.

VENTE DU BIEN-FONDS

8. a) En cas de vente ou autre aliénation volontaire ou non du bien-fonds, en tout ou en partie, par le débiteur hypothécaire, le créancier hypothécaire peut exiger sur-le-champ le remboursement intégral du principal et des intérêts échus et de toutes autres sommes dues en vertu de l'hypothèque, de même qu'une indemnité calculée en conformité avec la formule prévue à la clause 22(b) des présentes. Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement intégral du principal par le débiteur hypothécaire et non à titre de pénalité.

- b) Il est convenu qu'aucune vente ou autre acte posé à l'égard du bien-fonds par le débiteur hypothécaire ne modifie la responsabilité du débiteur hypothécaire, ou ne modifie ou porte atteinte aux recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque contre le débiteur hypothécaire ou toute autre personne responsable du remboursement des sommes garanties par cette hypothèque.

CHARGE SUBSÉQUENTE

9. En cas où le débiteur hypothécaire accorde une charge contre le bien-fonds à un autre créancier hypothécaire sans obtenir le consentement préalable du créancier hypothécaire, le créancier hypothécaire peut exiger sur-le-champ le remboursement intégral du principal et des intérêts échus et de toutes autres sommes dues en vertu de l'hypothèque, de même qu'une indemnité calculée selon la formule prévue à la clause 22(b) des présentes. Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement intégral du principal par le débiteur hypothécaire et non à titre de pénalité.

PAIEMENTS EFFECTUÉS PAR LE CRÉANCIER HYPOTHÉCAIRE

10. Il est convenu que le créancier hypothécaire peut acquitter toutes primes d'assurance et tous impôts fonciers, redevances et frais de chauffage ou services publics dus de temps à autre relatifs au bien-fonds, que le débiteur hypothécaire n'a pas acquittés. Toute somme ainsi payée par le créancier hypothécaire, de même que tous les frais, dépenses, honoraires juridiques (calculés sur la base procureur-client), tous frais encourus pour le recouvrement et le maintien du bien-fonds, la négociation de ce prêt, la vérification des titres, l'enregistrement de cette hypothèque et de tous autres actes jugés nécessaires, et tous frais encourus relativement à toute autre procédure engagée ou prise à l'égard de cette hypothèque ou de sa réalisation (y compris les commissions dues aux courtiers d'immeuble visant l'obtention de tout bail ou vente du bien-fonds), portent intérêt au taux prévu dans cette hypothèque et grèvent le bien-fonds en faveur du créancier hypothécaire. Le créancier hypothécaire peut aussi acquitter tout privilège, charge ou encombrement présent, ou créé ou réclamé contre le bien-fonds après la constitution de cette hypothèque, et toutes sommes ainsi engagées grèvent pareillement le bien-fonds au profit du créancier hypothécaire. En outre, il est convenu que les sommes susdites payées par le créancier hypothécaire s'ajoutent à la créance hypothécaire, sont exigibles sur-le-champ et portent intérêt au taux prévu dans cette hypothèque. Advenant défaut de paiement, le créancier hypothécaire peut exiger sur-le-champ le remboursement intégral du principal, des intérêts et de toute autre somme due en vertu de l'hypothèque et exercer tous les recours, droits et pouvoirs qui lui sont conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

LOI SUR LE RÉGIME DE GARANTIES DE LOGEMENTS NEUFS

11. Advenant le cas où le créancier hypothécaire encourt des frais ou dépenses survenants de l'application de/ou relatifs à la *Loi sur le régime de garanties de logements neufs*, telle que modifiée de temps à autre, ou des règlements en application de celle-ci, incluant sans limiter la généralité de ce qui précède, tous frais ou dépenses relatifs à l'enregistrement du créancier hypothécaire en tant que vendeur en vertu de cette loi ou à l'inscription du bien-fonds ou à la conclusion de toutes ententes ayant trait à l'exécution d'une garantie ou exécutant toutes garanties, tels frais et dépenses sont exigibles sur-le-champ du débiteur hypothécaire, portent intérêt au taux prévu dans l'hypothèque et grèvent le bien-fonds.

ACCESSOIRES FIXES

12. Il est convenu que toutes érections, améliorations et accessoires fixes actuellement ou ultérieurement apportés à ou mis sur la propriété, incluant mais sans limiter la généralité de ce qui précède, tous appareils de cuisson, clôtures, installations de chauffage, de tuyaux, de plomberie, d'antennes, de climatisation, de ventilation, d'éclairage, de chauffage d'eau, et de réfrigération, les recouvrements de fenêtres, les radiateurs et recouvrements, les miroirs fixes, les doubles fenêtres, les doubles portes, les paravents de fenêtres et paravents de portes, les volets et auvents, les recouvrements de planchers et tous appareils et installations afférents et tous équipements et machineries fixes ou autre, même si pas affixés au bien-fonds autre que par leurs propres poids sont et seront, en sus de tout autre accessoire fixe sur le bien-fonds, des accessoires fixes et feront parties du bien-fonds et constitueront une partie de la sûreté donnée en garantie en vertu de l'hypothèque.

PRIVILÈGES ET CONSTRUCTION

13. Le débiteur hypothécaire convient qu'advenant l'enregistrement de tous privilèges contre le bien-fonds ou advenant le cas où tous bâtiments et/ou améliorations demeurent incomplets ou sans qu'aucun travail soit accompli pour une période de dix jours, le principal, l'intérêt et toutes autres sommes dues en vertu de l'hypothèque sont, à la discrétion du créancier hypothécaire, exigibles sur-le-champ, et le créancier hypothécaire peut exercer tous les recours, droits et pouvoirs qui lui sont conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

MODIFICATIONS

14. Le débiteur hypothécaire convient qu'il n'effectuera ou ne permettra que soit effectuée aucune modification ou addition au bien-fonds sans le consentement préalable du créancier hypothécaire et tout manquement à cet engagement constituera un défaut en vertu de l'hypothèque et le créancier hypothécaire peut, en cas de défaut, exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

DÉFAUT DE CHARGE ANTÉRIEURE

15. Le créancier hypothécaire et le débiteur hypothécaire conviennent qu'advenant le cas où le débiteur hypothécaire manque à ses obligations ou engagements en vertu de toutes conventions, dispositions, ententes ou conditions prévues dans toutes autres hypothèques ou charges à laquelle ou auxquelles l'hypothèque est sujette, toutes les sommes dues en vertu de cette hypothèque seront, à la discrétion du créancier hypothécaire, exigibles sur-le-champ, et tous les recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque pourront être exercés par le créancier hypothécaire, y compris le pouvoir de vente qui y est contenu.

RENONCIATION

16. Le débiteur hypothécaire convient que le créancier hypothécaire peut, par écrit, en toute occasion par suite d'un défaut sous les dispositions de cette hypothèque, accorder dispense et renoncer à son droit d'exiger le remboursement intégral du principal, des intérêts et de toute autre somme due en vertu de l'hypothèque, mais que toute dispense accordée ne se rapporte qu'au défaut visé et ne tient pas lieu de dispense de tout autre défaut ou de tout défaut ultérieur.

MAINLEVÉES PARTIELLES

17. Le créancier hypothécaire peut à sa discrétion, en tout temps, libérer une ou plusieurs parties du bien-fonds ou toute autre garantie ou toute personne qui s'est portée garant du remboursement du principal et des intérêts garantis par l'hypothèque, avec ou sans contrepartie suffisante, sans qu'il ne soit tenu de rendre compte au débiteur hypothécaire, sauf en ce qui concerne les fonds qu'il aura effectivement reçus, sans engager sa responsabilité, et sans pour autant libérer toutes autres parties du bien-fonds ou toutes autres personnes de leurs obligations ou de la charge constituées en vertu de cette hypothèque. Il est expressément convenu que si le bien-fonds comprend plusieurs parcelles ou lots distincts ou est sectionné ultérieurement en plusieurs parcelles ou lots distincts, chaque parcelle ou lot est grevé de l'entiereté de la somme en principal garantie par l'hypothèque et nulle personne n'a le droit d'exiger que ladite somme en principal soit répartie.

PROROGATION

18. Nulle prorogation de délais accordée au débiteur hypothécaire et nulle autre transaction entre le créancier hypothécaire et le ou les propriétaires du bien-fonds ou de toute partie de celui-ci ne portera atteinte au recours dont dispose le créancier hypothécaire à l'encontre du débiteur hypothécaire ou de toute autre personne tenue de rembourser le principal ou les intérêts garantis par les présentes. Cette hypothèque peut être prorogée, à l'échéance par entente écrite ou conformément aux dispositions prévues dans le paragraphe qui suit, pour toute période additionnelle, nonobstant l'existence de titulaires postérieurs d'une sûreté contre le bien-fonds. Il ne sera pas requis qu'une telle entente soit enregistrée au bureau d'enregistrement afin de préserver le rang prioritaire de cette hypothèque et des sommes garanties en vertu de l'hypothèque y compris l'intérêt dont le taux pourra être majoré, à l'encontre de tout autre acte ou instrument enregistré ultérieurement à cette hypothèque.

Le créancier hypothécaire a la faculté, avant l'échéance, d'aviser le débiteur hypothécaire qu'il est disposé à reconduire ou renouveler le prêt hypothécaire aux conditions spécifiées dans un tel avis. Dans cette éventualité le prêt hypothécaire sera reconduit pour un an, ou pour un terme moindre, à la discrétion du créancier hypothécaire, aux conditions stipulées dans l'avis si le débiteur hypothécaire ne retourne pas au créancier hypothécaire le formulaire de renouvellement dûment souscrit indiquant un choix différent parmi les périodes de reconduite offertes par le créancier hypothécaire, ou si le débiteur hypothécaire ne règle pas le prêt au complet à l'échéance. Le débiteur hypothécaire convient que le créancier hypothécaire ne pourra retirer de tout compte qu'il maintient auprès du créancier hypothécaire les frais de reconduite et les versements mensuels dus par la suite. Le créancier hypothécaire peut aussi exiger que le débiteur hypothécaire souscrive à tout autre document jugé nécessaire pour confirmer la reconduite du prêt.

Nulle disposition contenue dans cette clause ne confère au débiteur hypothécaire un droit à la prorogation de l'hypothèque.

JUGEMENT

19. L'obtention d'un jugement en vertu d'un quelconque engagement contenu dans cette hypothèque n'opère pas absorption ou confusion légale de l'engagement et ne porte aucunement atteinte aux droits que cette hypothèque confère au créancier hypothécaire y compris celui de percevoir de l'intérêt au taux et aux moments indiqués dans cette hypothèque; en outre tout jugement prescrira que l'intérêt qui s'y rapporte sera calculé au même taux et de la même façon que le calcul d'intérêt s'opère en vertu de cette hypothèque jusqu'à parfait paiement de ce jugement.

GARANT(S)

20. Dans l'éventualité où une ou des personnes désignées à titre de garant ont souscrit leurs signatures à l'hypothèque, les dispositions suivantes s'appliquent:

Le garant, et s'il y a plus d'un garant, chacun d'entre eux conjointement et solidairement, en contrepartie du prêt garanti par cette hypothèque et accordé par le créancier hypothécaire au débiteur hypothécaire, se porte garant envers le créancier hypothécaire du paiement de la somme du principal et des intérêts au taux prévu dans l'hypothèque, et de l'exécution et de l'observance par le débiteur hypothécaire de l'ensemble des engagements, obligations et dispositions contenus dans l'hypothèque.

Le garant reconnaît que sa responsabilité est engagée au même titre que celle du débiteur hypothécaire et convient que le créancier hypothécaire pourra sans en donner avis au garant et sans diminuer ou modifier les obligations de ce dernier en vertu des présentes, accorder des délais, renouvellements, extensions, remises, et mainlevées, prendre des garanties, ou réaliser des garanties déjà prises, accepter des compositions et autrement transiger avec le débiteur hypothécaire et avec toute personne, y compris d'autres garants, sans pour autant dégager, réduire ou limiter d'aucune façon les obligations et la responsabilité du garant envers le créancier hypothécaire. Le garant reconnaît également que sa responsabilité ne sera pas diminuée, limitée ou modifiée envers le créancier hypothécaire nonobstant l'insuffisance de la sûreté prévue en vertu de cette hypothèque ou de toute autre chose incluant la faillite ou l'insolvabilité du débiteur hypothécaire, la dissolution du débiteur hypothécaire, s'il s'agit d'une société, l'incapacité, moratorium ou autres circonstances servant à rendre les obligations du débiteur hypothécaire nulles ou non-exécutaires et aucune action sauf le remboursement de la créance hypothécaire dans son entièreté incluant le principal, tous les intérêts, toutes les sommes dues en vertu de cette hypothèque et l'exécution de toutes obligations et engagements en vertu de cette hypothèque libéreront le garant. Le garant reconnaît en outre que le créancier hypothécaire n'a aucune obligation d'avoir recours ou épuiser ses recours envers le débiteur hypothécaire ou toutes autres personnes ou toutes autres sûretés en vertu de cette hypothèque ou autrement avant d'exécuter ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque contre le garant.

IMMEUBLE EN COPROPRIÉTÉ (CONDOMINIUM)

21. Les dispositions suivantes s'appliquent à toute partie privative d'un immeuble en copropriété grevée par cette hypothèque:

- a) Le débiteur hypothécaire s'engage à observer la *Loi sur les condominiums*, telle que modifiée de temps à autre, la déclaration de copropriété, les règlements et règles de l'Association des copropriétaires et s'engage à faire parvenir au créancier hypothécaire copie de tous avis, cotisations, règlements, règles et états financiers qui lui sont remis par l'Association des copropriétaires, tels que modifiés de temps à autre; et le débiteur hypothécaire convient que toute violation de ses obligations en vertu des présentes constitue une violation d'un engagement en vertu de cette hypothèque;

b) Le débiteur hypothécaire s'engage à assurer les améliorations qu'il a lui-même effectuées à sa partie privative ou que ses prédécesseurs ont effectuées. Cette disposition s'ajoute et ne réduit en rien les obligations au débiteur hypothécaire établies à l'article 7 (e) des présentes;

c) Le débiteur hypothécaire autorise irrévocablement le créancier hypothécaire à exercer le droit de vote ou de consentement du débiteur hypothécaire relativement à toute question soumise au vote ou pour approbation des membres de l'Association de copropriétaires. Si le créancier hypothécaire n'exerce pas ces droits, le débiteur hypothécaire peut lui-même les exercer et s'engage par les présentes à exercer ces droits conformément à toute directive du créancier hypothécaire; le créancier hypothécaire n'aura aucune obligation de voter ou de consentir ou d'autrement protéger les intérêts du débiteur hypothécaire en raison de la cession du dit droit de vote ou de consentement. L'exercice du droit de vote ou de consentir n'aura pas pour effet de réputer le créancier hypothécaire un créancier en possession;

d) Le débiteur hypothécaire convient d'acquitter lorsque dû les dépenses communes et spéciales payables par ce dernier en tant que propriétaire du bien-fonds et, dans le cas où le débiteur hypothécaire n'observe pas cette obligation ou toute disposition contenue dans la *Loi sur les condominiums*, la déclaration de copropriété ou les règlements et règles de l'Association des copropriétaires tels que modifiés de temps à autre, le créancier hypothécaire peut y pourvoir et les frais et dépenses engagés à cette fin portent intérêt au taux prévu en vertu de l'hypothèque, sont exigibles sur-le-champ, et grèvent le bien-fonds;

e) Le débiteur hypothécaire convient que toute violation des obligations mentionnées dans cette clause, constitue un défaut en vertu de cette hypothèque.

Note: clauses 22(a), 23, 24 et 25 s'appliquent seulement aux résidences unifamiliales

PAIEMENT PAR ANTICIPATION

22. a) S'il n'est pas en défaut, le débiteur hypothécaire peut, au moyen d'un ou de plusieurs versements d'un minimum de cent dollars (100 \$), rembourser avant échéance et sans indemnité un montant ne dépassant pas quinze pour cent (15 %) du montant du prêt initial. Ce privilège vaut pour chaque année du terme ou pour chaque terme s'il est de moins d'un (1) an et il n'est pas cumulatif.

b) S'il n'est pas en défaut, le débiteur hypothécaire peut rembourser avant échéance tout montant moyennant une indemnité égale au plus élevé des montants suivants:

- i) Un montant égal à trois (3) mois d'intérêt sur le montant remboursé par anticipation, et ce au taux d'intérêt alors applicable au prêt;
- ii) Un montant égal à l'intérêt calculé sur le montant remboursé par anticipation, jusqu'à l'échéance, à un taux d'intérêt correspondant à la différence entre le taux d'intérêt alors applicable au prêt et le taux d'intérêt en vigueur chez le créancier hypothécaire pour un prêt dont le terme est:
 - d'un (1) an si, au moment du paiement, il reste moins de vingt-quatre (24) mois avant l'échéance du prêt;
 - de deux (2) ans si, au moment du paiement, il reste de vingt-quatre (24) à trente-six (36) mois avant l'échéance du prêt;
 - de trois (3) ans si, au moment du paiement, il reste de trente-six (36) à quarante-huit (48) mois avant l'échéance du prêt;
 - de quatre (4) ans si, au moment du paiement, il reste de quarante-huit (48) à soixante (60) mois avant l'échéance du prêt;
 - de cinq (5) ans si, au moment du paiement, il reste soixante (60) mois ou plus avant l'échéance du prêt.

Toutefois, si le paiement est effectué moins de trois (3) mois avant l'échéance du prêt, l'indemnité ne devra pas excéder l'intérêt au taux alors applicable au prêt calculé sur le montant remboursé par anticipation à compter de la date du paiement anticipé jusqu'à la date d'échéance du prêt.

L'indemnité sera calculée dans tous les cas sur la totalité du montant remboursé par anticipation nonobstant le paragraphe (a) ci-dessus.

Un paiement par anticipation ne relève pas le débiteur hypothécaire de son obligation de continuer d'effectuer les paiements prévus aux présentes.

Le débiteur hypothécaire convient que cette indemnité est payable à titre de compensation en contrepartie du remboursement par le débiteur hypothécaire en vertu des présentes et non à titre de pénalité.

ACCROISSEMENT DES PAIEMENTS PÉRIODIQUES

23. S'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps mais une seule fois par année du terme ou par terme si celui-ci est de moins d'un (1) an, augmenter le montant de ses paiements périodiques jusqu'à un montant ne dépassant pas le double de ceux-ci, et ce sans indemnité. Le débiteur hypothécaire pourra par la suite ramener le montant de ses paiements à celui en vigueur avant l'augmentation. Dans les deux cas, il doit signer une convention à cet effet et payer les frais d'administration prévus à cette fin, le cas échéant.

RENOUVELLEMENT AVANT ÉCHÉANCE

24. S'il n'est pas en défaut, le débiteur hypothécaire peut, en tout temps avant la date à laquelle le solde du prêt devient exigible, demander au créancier hypothécaire de prolonger le terme du prêt et de fixer de nouvelles conditions. Si le créancier hypothécaire accepte, le débiteur hypothécaire devra payer une indemnité correspondant au plus élevé des deux montants suivants:

- a) S'il y a diminution du taux d'intérêt, un montant égal à l'intérêt calculé sur le solde du prêt jusqu'à l'échéance, au taux correspondant à la différence entre le taux alors applicable au prêt et le nouveau taux;
- b) Un montant de cent dollars (100 \$)

SUBSTITUTION DE LA PROPRIÉTÉ GREVÉE

25. Lorsque la propriété grevée est une résidence unifamiliale et que le débiteur hypothécaire n'est pas en défaut, le créancier hypothécaire, sous réserve des dispositions qui suivent, pourra permettre au débiteur hypothécaire de grever une autre résidence unifamiliale qu'il détient et occupe (la "nouvelle résidence") d'une charge (la nouvelle "charge") dont les conditions, y compris le taux d'intérêt exigé sur le solde de la créance hypothécaire, seront identiques à celles du présent prêt.

Le débiteur hypothécaire qui désire se prévaloir de ce privilège devra soumettre une demande de prêt à l'égard de la nouvelle charge au créancier hypothécaire et se conformer à toutes les exigences du créancier hypothécaire à l'égard de nouveaux prêts en vigueur au moment où la demande est soumise. Si la nouvelle charge répond aux exigences et politiques de prêts du créancier hypothécaire et que ce dernier consent à faire le prêt, le bien-fonds grevé sous l'hypothèque sera libéré lorsqu'une nouvelle charge hypothécaire de premier rang aura été constituée contre la nouvelle résidence aux frais du débiteur hypothécaire. Dans cette éventualité, le débiteur hypothécaire ne sera pas tenu de verser, sauf dans la mesure où la nouvelle charge est constituée pour une somme moindre que le solde de la créance hypothécaire, l'indemnité prévue en cas de remboursement par anticipation de la créance hypothécaire. Le débiteur hypothécaire devra acquitter tous les frais encourus, y compris les frais administratifs d'usage du créancier hypothécaire, à l'égard de l'étude de la nouvelle demande de la préparation et de l'enregistrement de la nouvelle charge et de la préparation, de la signature et de l'enregistrement de la mainlevée.

Le débiteur hypothécaire pourra demander que le solde de la créance hypothécaire établi au moment de la substitution (la "créance initiale") soit majoré et si le créancier hypothécaire accède à cette demande, la somme supplémentaire prêtée portera intérêt au taux en vigueur au moment où elle sera déboursée. Le créancier hypothécaire pourra exiger que l'acte hypothécaire par lequel la charge contre la nouvelle résidence est créée stipule un taux d'intérêt unique qui représente la moyenne pondérée des taux d'intérêt qui s'appliquent respectivement à la créance initiale et à la somme supplémentaire prêtée. Un calcul semblable sera aussi effectué si l'échéance de la nouvelle charge est plus tardive ou rapprochée que l'échéance de la créance initiale.

OPTION MULTIPROJET

26. Aucun acte du créancier hypothécaire, notamment la prorogation d'un délai prévu dans les présentes, n'a d'incidence sur les droits qu'il peut opposer au débiteur hypothécaire concernant le paiement de la somme garantie par l'hypothèque. Nonobstant le remboursement en tout ou en partie du prêt constaté par la présente hypothèque ou de tout montant prêté en vertu de la présente clause, en acceptant cette hypothèque, le créancier hypothécaire consent à ce que le débiteur hypothécaire puisse lui demander de lui avancer à nouveau les montants qu'il avait dès lors remboursés comme s'il ne les avait jamais avant utilisés et ce, jusqu'à concurrence d'un endettement n'excédant pas le montant en capital initial du prêt. La demande du débiteur hypothécaire pour l'avance d'un montant doit être effectuée par écrit et doit préciser clairement les fins auxquelles servira le prêt. Le créancier hypothécaire peut à sa seule et unique discrétion accepter ou refuser la demande sans préjudice d'aucun de ses droits en vertu de la présente hypothèque. Le créancier hypothécaire qui accepte la demande peut exiger et le débiteur hypothécaire convient de s'acquitter des frais administratifs encourus par le créancier hypothécaire. Sur acceptation de la demande et paiement des frais administratifs, l'hypothèque et toutes autres hypothèques, charges et autres garanties prévues dans les présentes assureront au créancier hypothécaire le remboursement de tout montant ainsi déboursé en capital, intérêt, frais et accessoires et toutes clauses de cette hypothèque et de la dernière convention de renouvellement encore en vigueur continuent de s'appliquer.

De plus, et sans restreindre aucunement la généralité de ce qui précède, le créancier hypothécaire consent à ce que le débiteur hypothécaire puisse faire une demande de prorogation des délais, laquelle demande devant être faite par écrit. Le créancier hypothécaire à sa seule et unique discrétion peut accepter ou refuser la demande sans préjudice d'aucun de ses droits en vertu de la présente hypothèque

Pour l'application des présentes aux montants déboursés conformément à cette clause, toute référence faite au prêt signifie également une référence aux montants subséquemment avancés, qu'il s'agisse d'un nouvel emprunt à fins de construction, de réparation ou d'amélioration d'un immeuble et, le déboursement entier doit être effectué dans les trois (3) mois de la date de l'acceptation du créancier hypothécaire, à défaut de quoi le créancier hypothécaire peut à sa seule et unique discrétion refuser de faire tout autre déboursé et son acceptation sera de ce fait, révoquée absolument. Le créancier hypothécaire maintient cependant tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, et rien de ce qui précède ne doit être interprété de sorte à priver le créancier hypothécaire de ses recours pour les sommes déjà avancées.

En plus de tous les autres frais prévus dans cette clause, le débiteur hypothécaire doit payer tous frais d'inscription d'avis de renouvellement des charges prévues aux présentes.

Le débiteur hypothécaire peut renoncer en tout temps à son droit de demander au créancier hypothécaire de lui avancer à nouveau les montants conformément à la présente clause en lui remettant un avis écrit. Cette renonciation n'aura aucune incidence et ne portera pas préjudice aux recours, droits et pouvoirs conférés au créancier hypothécaire en loi et en vertu de cette hypothèque pour les sommes déjà avancées.

MAINLEVÉES

27. Suivant le remboursement de la créance hypothécaire dans son intégralité, incluant toutes les sommes dues en vertu de cette hypothèque ou sa renonciation complète par le créancier hypothécaire, ce dernier rédigera et signera une mainlevée de cette hypothèque et une période raisonnable lui sera allouée pour ce faire. Les frais administratifs et juridiques et toutes autres dépenses encourues dans la rédaction d'une telle mainlevée seront dus et payables par le débiteur hypothécaire avant qu'il ait droit à recevoir la mainlevée dûment signée.

TRANSPORT DE LOYERS

28. Moyennant contrepartie et à titre de garantie additionnelle du remboursement de toutes sommes dues par le débiteur hypothécaire au créancier hypothécaire sous cette hypothèque, et de l'exécution des obligations qu'elle renferme, le débiteur hypothécaire cède au créancier hypothécaire les loyers qui lui sont ou seront dus de temps à autre sous tout bail présent ou futur visant le bien-fonds donné en garantie sous cette hypothèque en tout ou en partie, de même que tous les droits qui en découlent, y compris toutes cautions qui s'y rapportent, et le débiteur hypothécaire grève en faveur du créancier hypothécaire ses droits à la réversion du bien-fonds. Le débiteur hypothécaire s'engage à souscrire et remettre au créancier hypothécaire un acte de cession de loyer établi selon le formulaire utilisé par le créancier hypothécaire dès qu'il conclura un bail visant le bien-fonds en tout ou en partie, et à livrer ou remettre au créancier hypothécaire tout acte, autre avis ou document jugé nécessaire par le créancier hypothécaire pour donner effet à la cession desdits loyers. Aucun bail visant le bien-fonds ou toute partie de celui-ci fait à une date ultérieure aux présentes sans le consentement écrit du créancier hypothécaire ne pourra prendre rang devant l'hypothèque ou tout renouvellement ou prorogation de cette dernière. Nulle disposition de l'hypothèque n'a pour effet de rendre le créancier hypothécaire responsable de la perception des loyers dus sous un bail visant le bien-fonds ou de l'exécution des obligations imposées sous un tel bail et le créancier hypothécaire ne sera pas présumé être en possession du bien-fonds en raison de la présente clause. Le créancier hypothécaire accorde au débiteur hypothécaire qui rencontre les obligations renfermées dans l'hypothèque le droit de percevoir lui-même les loyers jusqu'à défaut en vertu de l'hypothèque, et ne doit rendre compte au débiteur hypothécaire que des loyers qu'il aura effectivement reçus, après déduction d'une somme raisonnable pour les frais encourus pour la perception de ceux-ci.

FAILLITE DU DÉBITEUR

29. Il est convenu que dans l'éventualité où le débiteur hypothécaire fait une cession de biens au bénéfice des créanciers ou fait l'objet d'une exécution ou saisie-gagerie, ou est failli, ou est insolvable, l'hypothèque sera en défaut, et le créancier hypothécaire pourra exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

GESTION-SÉQUESTRE

30. Nonobstant toutes autres dispositions dans les présentes, il est convenu qu'advenant un défaut en vertu des présentes, le créancier hypothécaire peut, qu'il soit ou non en possession du bien-fonds, ou toutes parties de ce dernier, par acte écrit, nommer toute personne, qu'il s'agisse ou non d'un représentant ou employé du créancier hypothécaire, séquestre du bien-fonds ou de toutes parties du bien-fonds et des loyers et revenus tirés de ce dernier, avec ou sans cautionnement, et peut de temps à autre par acte semblable révoquer la nomination du séquestre et lui substituer une autre personne, et dans le cadre d'une telle nomination ou révocation, le créancier hypothécaire sera réputé agir à titre d'agent ou procureur du débiteur hypothécaire, sauf qu'une telle nomination ne sera pas révocable par le débiteur hypothécaire. Lors de la nomination d'un séquestre, les dispositions suivantes s'appliqueront :

- a) Le séquestre aura un accès illimité au bien-fonds à titre d'agent et procureur du débiteur hypothécaire (lequel droit d'accès ne pourra être révoqué par le débiteur hypothécaire) et il aura plein droit et pouvoir et l'autorité illimitée de:
 - i) percevoir les loyers et revenus tirés de locations ou de l'exploitation du bien-fonds, qu'ils aient été créés avant ou après l'hypothèque,

- ii) louer ou exploiter toutes parties du bien-fonds qui puissent devenir vacantes sujet aux termes et conditions qu'il juge appropriés et donner à bail et signer des baux, accepter des rétrocessions et mettre fin à des baux,
- iii) compléter la construction de tout bâtiment ou bâtiments ou de toute autre érection ou amélioration sur le bien-fonds laissée par le débiteur hypothécaire dans un état non-complet ou mandater d'autres personnes afin qu'elles complètent, achètent, réparent et/ou maintiennent tous biens mobiliers incluant, sans limitation, tout appareil et équipement nécessaire ou désirable afin de rendre les lieux exploitables ou louables, et prendre possession et utiliser ou permettre à d'autres qu'ils utilisent toutes parties des matériaux, fournitures, plans, outils, équipements (incluant appareils) et tous biens du débiteur hypothécaire,
- iv) gérer, exploiter, réparer, modifier ou agrandir le bien-fonds ou toutes parties de ce dernier, et le débiteur hypothécaire s'engage à ratifier et confirmer toutes actions ainsi entreprises par le séquestre et toutes personnes mandatées par ce dernier.
- b) Le créancier hypothécaire peut, à sa discrétion, conférer au séquestre tous ses droits et pouvoirs.
- c) Le créancier hypothécaire peut fixer une compensation raisonnable pour le séquestre qui aura droit de déduire celle-ci des revenus et produits de vente tirés du bien-fonds.
- d) Le séquestre sera réputé être un agent ou procureur du débiteur hypothécaire, et dans aucune circonstance, sera-t-il réputé être l'agent ou procureur du créancier hypothécaire et le créancier hypothécaire ne sera pas responsable pour les actions ou omissions du séquestre.
- e) La nomination du séquestre par le créancier hypothécaire ne créera aucune responsabilité ou obligation de la part du créancier hypothécaire envers le séquestre ou le débiteur hypothécaire ou toute autre personne et aucune nomination ou révocation du séquestre et aucune action du séquestre n'auront pour effet de faire du créancier hypothécaire un créancier hypothécaire en possession du bien-fonds.
- f) Le séquestre n'aura pas la responsabilité de rendre compte au débiteur hypothécaire de sommes d'argent autres que les sommes d'argent qu'il aura effectivement reçues en ce qui a trait au bien-fonds ou toute partie de ce dernier, après déduction des sommes suivantes, dans l'ordre qui suit:
 - i) sa compensation telle que prévue ci-haut,
 - ii) tous frais et dépenses de toute nature encourus par le séquestre dans l'exercice de ses pouvoirs conférés par les présentes,
 - iii) tous les intérêts, principal et autres sommes qui pourraient grever ou devenir une charge prioritaire à l'hypothèque, incluant tous impôts fonciers,
 - iv) tous les intérêts, principal et autres sommes dus en vertu de l'hypothèque et payables dans un tel ordre, tel que déterminé par le créancier hypothécaire à son entière discrétion,
 - v) tout surplus au débiteur hypothécaire auquel le séquestre devra rendre compte.
- La compensation et les dépenses du séquestre seront payées par le débiteur hypothécaire sur demande et grèveront le bien-fonds et porteront intérêt à partir de la date à laquelle elles auront été exigées par le séquestre au même taux que celui prévu dans l'hypothèque.
- g) Sauf pour les réclamations dont le séquestre doit rendre compte telles que prévues au paragraphe (f) de cette clause, le débiteur hypothécaire libère et donne mainlevée au séquestre pour toutes réclamations de toute nature, en dommages ou non qui surviennent ou pourraient être causées par le débiteur hypothécaire ou toute personne réclamant par l'entremise de ou au nom du débiteur hypothécaire en raison de ou résultant de toute action posée par le séquestre, à moins qu'une telle réclamation ait pour cause immédiate la malhonnêteté ou fraude du séquestre.
- h) Le créancier hypothécaire peut, en tout temps et de temps à autre, mettre fin à la gestion-séquestre par voie d'avis écrit au débiteur hypothécaire et au séquestre.
- i) La déclaration sous serment d'un représentant du créancier hypothécaire ayant trait au défaut du débiteur hypothécaire en vertu de l'hypothèque et à la nomination d'un séquestre en vertu des présentes sera preuve concluante de cet état de fait pour les fins de toute personne transigeant avec le séquestre lorsque ce dernier exerce ses pouvoirs de façon ostensible, et une telle transaction sera réputée, en ce qui a trait à cette personne, valide.
- j) Les droits et pouvoirs conférés dans les présentes au séquestre sont en sus de et non en substitution de tout autre droit et pouvoir que le créancier hypothécaire peut avoir.

ENVIRONNEMENT

Définitions

31. a) Les définitions qui suivent s'appliquent à cette clause:

Conséquence préjudiciable : s'entend de l'une ou plusieurs des conséquences suivantes:

- i) la dégradation de la qualité de l'environnement naturel relativement à tout usage qui peut en être fait,
- ii) le tort ou les dommages causés à des biens, des végétaux ou des animaux,
- iii) la nuisance ou les malaises importants causés à quiconque,
- iv) l'altération de la santé de toute personne, animal ou végétation,
- v) l'atteinte à la sécurité de quiconque,
- vi) le fait de rendre des biens, des végétaux ou des animaux impropres à l'usage des êtres humains,
- vii) la perte de jouissance de l'usage normal d'un bien,
- viii) le fait d'entraver la marche normale des affaires.

Contamination : solide, liquide, gaz, son, odeur, chaleur, vibration, radiation, polluant ou combinaison de ces éléments qui proviennent, directement ou indirectement, des activités humaines et qui peuvent avoir une conséquence préjudiciable.

Document : s'entend en outre d'un enregistrement sonore, d'une bande magnétoscopique, d'un film, d'une photo, d'un tableau, d'un graphique, d'une carte, d'un plan, d'un levé, d'une étude, d'une vérification, d'un livre de comptes et des renseignements enregistrés ou conservés par n'importe quel moyen et comprend notamment, les états de comptes, relevé de comptes, lettres, avis, dossiers et tout autre écrit ou chose se rapportant au projet, les activités du débiteur hypothécaire, la propriété sur laquelle s'exercent les activités du débiteur hypothécaire ou se rapportant à toute discussion ou affaire du débiteur hypothécaire ou de l'activité engagée par le débiteur hypothécaire qui pourraient avoir une incidence environnementale.

Lois environnementales : s'entend de toute législation internationale, fédérale, provinciale, municipale, de tout règlement, traité, arrêté, code, entente qui est présentement en vigueur ou qui le deviendra dans le futur qui a pour but la protection de l'environnement ou qui se rapporte à ou qui régit les produits dangereux, le transport des produits dangereux, les sources de contamination, les émissions toxiques, les déchets toxiques, les contaminants et les polluants et, sans limiter la généralité de ce qui précède, s'entend de la *Loi sur la protection de l'environnement* de l'Ontario, de la *Loi canadienne sur la protection de l'environnement* telles que modifiées par la législature ou le Parlement de temps à autre.

Produits dangereux : s'entend collectivement de tout contaminant, substance toxique ou de toute autre substance qui, si elle était rejetée dans l'environnement, serait susceptible de causer immédiatement ou dans le futur, une conséquence préjudiciable.

Projet : s'entend en outre du bien-fonds incluant le terrain de surface du projet (qui n'est pas contenu dans un bâtiment), terrain immergé, tout cours d'eau sur le bien-fonds, sous-sol ou combinaison ou partie de ces éléments et de toute activité engagée sur le bien-fonds.

Propriété attenante : s'entend de toute propriété qui touche ou qui est contiguë au projet.

Propriété environnante : s'entend de toute propriété qui pourrait subir une conséquence préjudiciable par la source de contamination.

Rejet : s'entend en outre d'un ajout, d'un dépôt, d'une perte, d'une émission, d'un déversement ou d'une filtration; le verbe rejeter s'entend en outre d'ajouter, de déposer, de perdre, d'émettre, de déverser et de filtrer.

Source de contamination : tout ce qui rejette un contaminant quelconque dans l'environnement.

Dans le cas où les définitions contenues dans la présente clause se voient attribuées un sens plus large que celui contenu dans les présentes suite à toute modification à toute loi applicable, les définitions dans la présente clause incluront le sens plus large.

Engagements

b) Le débiteur hypothécaire prend les engagements suivants envers le créancier hypothécaire et lui garantit ce qui suit:

- i) Le débiteur hypothécaire ne causera et ne permettra pas que soit causé, le rejet de produits dangereux ou de contaminant sur le projet ou provenant du projet, sur une propriété attenante ou environnante ou sur un cours d'eau versant sur le projet ou sur une propriété attenante ou environnante.

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- ii) Le débiteur hypothécaire se conformera en tout temps aux lois environnementales et prendra toute mesure afin de s'assurer que toute personne, dont permission a été accordée à utiliser, occuper, gérer ou opérer le projet, se conforme aux lois environnementales.
- iii) Le débiteur hypothécaire accorde par la présente le droit absolu au créancier hypothécaire d'effectuer de temps à autre, aux frais du débiteur hypothécaire, des tests, inspections, études, vérifications ou évaluations environnementales, y compris le droit d'effectuer des tests du sol ou de l'eau ou de toute autre chose et de prendre des échantillons du projet.
- iv) Le débiteur hypothécaire accorde par la présente accès sans aucune limitation au créancier hypothécaire à tous documents du débiteur hypothécaire qui se rapportent au projet et ce droit comprend le droit de faire des copies des documents et d'en maintenir le contrôle.
- v) Le débiteur hypothécaire n'exercera en aucun temps et ne permettra à quiconque d'exercer une activité qui pourrait mener à l'imposition d'une sanction, arrêté, amende, ordonnance, injonction, action, jugement ou responsabilité en vertu des lois environnementales ou qui aurait l'effet de créer un privilège quelconque sur le projet.
- vi) Le débiteur hypothécaire se conformera à toutes les exigences imposées par les lois environnementales et sans restreindre la généralité de ce qui précède, obtiendra tout permis, licences ou autres autorisations requises en ce qui a trait au projet.
- vii) Le débiteur hypothécaire s'engage à aviser le créancier hypothécaire immédiatement de tout rejet de produit dangereux ou de contaminant sur le projet ou provenant du projet et s'engage à donner immédiatement au créancier hypothécaire des copies de toute ordonnance, arrêté, avis, permis, requête, jugement, amende, procédure, communication et document portant sur le rejet ou relatif à toute autre affaire environnementale qui pourrait avoir une incidence sur le projet.
- viii) Le débiteur hypothécaire se chargera d'enlever promptement et à ses frais, tout produit dangereux ou contaminant sur le projet, toute propriété attenante, toute propriété environnante et cours d'eau affectés.
- ix) Le débiteur hypothécaire avisera immédiatement le créancier hypothécaire de toute violation possible, anticipée ou effective des lois environnementales et de toute enquête conclue, en instance ou anticipée.
- xi) Sur demande écrite du créancier hypothécaire, le débiteur hypothécaire, à ses propres frais, fournira copies au créancier hypothécaire, de toute évaluation environnementale du projet ou de toute vérification y compris copies des mises à jour apportées aux évaluations ou vérifications antérieures.
- xii) Sur réception de tous documents se rapportant au projet et soulevant une question environnementale, le débiteur hypothécaire s'engage à fournir copie du dit document au créancier hypothécaire.

Indemnité

- c) Le débiteur hypothécaire s'engage à indemniser et protéger le créancier hypothécaire, ses agents, administrateurs, directeurs, employés, séquestres ou administrateurs-séquestres, pour toutes pertes, responsabilités, réclamations, dommages, coûts, dépenses, frais juridiques, déboursés et autres préjudices qu'ils pourraient subir:
 - i) en vertu des lois environnementales y compris pour tout privilège que l'on pourrait opposer aux intérêts du créancier hypothécaire,
 - ii) en raison du rejet de produits dangereux ou de contaminants dans l'environnement et sans limiter la généralité de ce qui précède, y compris les frais nécessaires à la défense et/ou pour une demande entre défendeurs, une demande reconventionnelle ou d'une action contre une mise-en-cause et pour tous les coûts, responsabilités et dommages-intérêts résultant d'un règlement conclu par le créancier hypothécaire, et
 - iii) en raison de l'obligation de se conformer aux exigences d'une ordonnance, arrêté, injonction, jugement, règlement ou autre obligation semblable émis en raison du dépôt, de l'entreposage, de la destruction, de l'enterrement, de l'injection, du déversement, du rejet, de l'emplacement ou de l'installation sur le projet, la propriété attenante ou environnante de produits dangereux ou contaminants, et ce, sans égard et nonobstant le degré de l'implication ou de la connaissance du débiteur hypothécaire et il est sans importance que les événements donnant naissance à l'obligation aient eu lieu avant ou après la date de l'hypothèque.

Les obligations et engagements de la présente clause survivront à la forclusion, l'extinction ou à toute autre libération ou quittance de l'hypothèque. Tout montant pour lequel le débiteur hypothécaire sera redevable au créancier hypothécaire en vertu de la présente clause et que le créancier hypothécaire doit lui-même payer sujet à l'indemnité ici prévue s'ajoutera à la créance hypothécaire et portera intérêt au taux prévu dans cette hypothèque.

Droit d'entrée et autres droits du créancier hypothécaire

- d) Dans le cas où il y a eu rejet d'un produit dangereux ou d'un contaminant pouvant avoir une conséquence préjudiciable que la source de contamination soit le projet ou non, ou dans le cas où le débiteur hypothécaire manque à ses obligations en vertu des lois environnementales, le créancier hypothécaire peut, à sa seule et unique discrétion et sans obligation aucune, donner tout avis et effectuer tout travail qu'il estime nécessaire et raisonnable pour le projet et prendre toute autre mesure pour remédier au déversement, rejet ou émission ou pour remédier aux manquements du débiteur hypothécaire.

Le créancier hypothécaire peut, en tout temps, à sa discrétion et sans aucune obligation aucune, qu'il y ait ou non défaut, entrer sur le projet pour l'inspecter, y effectuer des tests, études, vérifications, évaluations ou autres mesures environnementales jugées nécessaires.

Il est entendu que tout exercice du droit d'entrée, du droit de faire effectuer des travaux, de demander de l'information et d'être informé de mesures environnementales, ne constitue aucunement et ne pourra être considéré comme une prise de possession du projet par le créancier hypothécaire et rien de ce qui précède et rien dans les présentes ne sera interprété de sorte à ce que le créancier hypothécaire soit ou ait le contrôle, la responsabilité, la gestion ou l'occupation du projet.

Le débiteur hypothécaire convient que tout manquement aux engagements, obligations ou dispositions contenus dans cette clause constituera un défaut en vertu de l'hypothèque et le créancier hypothécaire peut, à sa discrétion et sans obligation aucune, exercer tous ses recours, droits et pouvoirs conférés en loi et en vertu de cette hypothèque, y compris le pouvoir de vente qui y est contenu.

CONSENTEMENT DU CONJOINT

32. Le conjoint du débiteur hypothécaire consent à la présente transaction telle qu'attestée par l'hypothèque et libère tout intérêt dans le bien-fonds de façon à pouvoir donner effet aux droits du créancier hypothécaire en vertu des présentes, et convient que le créancier hypothécaire peut, sans avis additionnel, transiger avec le débiteur hypothécaire en ce qui a trait au bien-fonds et la créance créée par l'hypothèque selon ce qu'il juge approprié.

AVIS DE CERTAINS CHANGEMENTS

33. Le débiteur hypothécaire s'engage à donner avis sur-le-champ au créancier hypothécaire dans l'éventualité où des changements se produisent qui ont une incidence sur:

- a) L'état civil du débiteur hypothécaire,
- b) La classification du bien-fonds à titre de foyer conjugal selon la définition contenue dans la Partie II de la *Loi sur le droit de la famille*, telle que modifiée de temps à autre,
- c) Le droit de propriété du bien-fonds,

afin que le créancier hypothécaire dispose en tout temps des noms et adresses des propriétaires du bien-fonds et de toute personne en qui repose un droit à la jouissance et l'occupation du bien-fonds en vertu de l'article 19 de la *Loi sur le droit de la famille*, telle que modifiée de temps à autre. À cette fin, le débiteur hypothécaire s'engage en outre à fournir au créancier hypothécaire sur demande toute preuve jugée par lui nécessaire relativement aux items (a), (b) et (c) susdits.

SOCIÉTÉS

34. Il est convenu que les événements suivants constituent un défaut en vertu de l'hypothèque, lorsque le débiteur hypothécaire est une société ou personne morale et que cette dernière:

- a) Cesse d'exploiter tout ou une partie des activités d'affaires, est liquidée, dissoute ou répartie, fait une cession de biens au bénéfice des créanciers ou gestion-séquestre, est faillie, ou fait l'objet d'une exécution ou saisie-gagerie;
- b) Fait défaut en vertu de toutes autres obligations d'emprunt d'argent;
- c) Change le contrôle véritable; ou
- d) Réorganise, fusionne, fait une cession du titre du bien-fonds avec une partie ayant lien de dépendance, sans le consentement écrit préalable du créancier hypothécaire.

OBSERVATIONS DES LOIS

35. Le débiteur hypothécaire convient de promptement observer, effectuer, exécuter et respecter toutes les lois, règles, pré-requis, ordonnances, directives, arrêtés et règlements de toutes autorités ou agences gouvernementales en ce qui a trait au bien-fonds et effectuera, à ses propres frais, toute amélioration ou altération, structurale ou autre, qui peut être requise en tout temps en vertu de tels lois, règles, pré-requis, ordonnances, directives, arrêtés ou règlements, présents ou futurs. Le créancier hypothécaire lorsqu'il le juge nécessaire, peut par la voie d'un arpenteur ou agent pénétrer sur le bien-fonds et effectuer une inspection et effectuer toute amélioration et altération jugée nécessaire afin de rendre le bien-fonds conforme avec tels lois,

règles, pré-requis, ordonnances, directives, arrêtés ou règlements et le coût raisonnable de telle inspection, amélioration et altération portant intérêt au taux prévu dans cette hypothèque sera exigible sur-le-champ et grèvera le bien-fonds.

AVIS

36. Sauf si prévu autrement en loi ou dans l'hypothèque, tout avis requis ou contemplé en vertu de cette hypothèque, incluant toute demande de paiement, sera par écrit et :

- a) S'il est donné au débiteur hypothécaire, peut être envoyé par courrier recommandé à la dernière adresse connue du débiteur hypothécaire telle qu'indiquée dans les dossiers du créancier hypothécaire ou livré personnellement au débiteur hypothécaire à cette adresse;
- b) S'il est donné au créancier hypothécaire, peut être envoyé par courrier recommandé au bureau du créancier hypothécaire où les paiements en vertu de cette hypothèque sont requis d'être effectués ou livré personnellement à cette adresse;

Et, de tels avis seront réputés être donnés et reçus à la date à laquelle ils ont été livrés personnellement ou si envoyés par courrier recommandé, le troisième jour ouvrable suivant la date à laquelle ils ont été mis à la poste, qu'ils aient été ou non reçus.

DIVISIBILITÉ DES DISPOSITIONS NON-VALIDES

37. Il est convenu qu'advenant le cas où toute disposition des présentes soit illégale, nulle, inapplicable ou contradictoire aux dispositions des lois applicables ou des règlements faits en vertu de celles-ci ou qu'en vertu de celles-ci le créancier hypothécaire ne pourrait percevoir le montant de toutes pertes subies par ce dernier en vertu de l'hypothèque et qu'il aurait autrement pu percevoir en vertu de telles lois, alors telle disposition ne s'appliquera pas et sera réputée ne pas s'appliquer jusqu'à concurrence de sa qualité illégale, nulle, inapplicable ou contradictoire et cette hypothèque demeurera exécutoire sans cette disposition.

TITRES ET NOTES MARGINALES

38. Dans les présentes et dans les annexes à l'hypothèque, les titres et notes marginales ne servent qu'à faciliter les renvois et n'ont pas d'incidence sur l'interprétation de l'hypothèque, des présentes ou d'une stipulation de celles-ci.

DÉFINITIONS

39. Les parties aux présentes conviennent que les expressions qui suivent comporteront aux fins des présentes la définition indiquée ci-dessous:

Association des copropriétaires : s'entend de l'association des copropriétaires référée dans la description légale du bien-fonds.

Bien-fonds : s'entend du bien-fonds dont la description détaillée apparaît dans la case Numéro 5 sur le formulaire Numéro 2, tel que modifié de même que des bâtiments, constructions et améliorations à demeure ou autres, actuelles ou futures y compris mais sans restreindre l'universalité de l'énoncé qui précède toutes les clôtures, les installations de chauffage, de plomberie, de climatisation, de ventilation, d'éclairage et de chauffage de l'eau, les appareils de cuisson et de réfrigération, les contre-fenêtres et portes, ainsi que tous les appareils et le matériel fixés à demeure.

Charge / hypothèque : s'entend du formulaire Numéro 2, tel que modifié prescrit sous la *Loi portant réforme de l'enregistrement des droits immobiliers*, telle que modifiée de toute annexe rattachée au dit formulaire et de cette présente compilation de dispositions types afférentes aux prêts hypothécaires, ainsi que tout renouvellement ou modification de ceux-ci.

Créancier hypothécaire : comprend les successeurs et ayants droit du créancier hypothécaire.

Débiteur hypothécaire : comprend les héritiers, exécuteurs testamentaires, administrateurs, successeurs et ayants droit du débiteur hypothécaire.

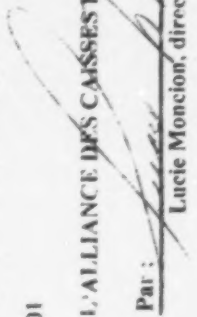
Déclaration de copropriété : s'entend de la déclaration de copropriété enregistrée relativement à l'Association de copropriétaires.

Garant : comprend les héritiers, exécuteurs testamentaires, administrateurs, successeurs et ayants droit du garant.

Les mots au singulier comprennent le pluriel et vice-versa, et les mots impliquant le masculin comprennent le féminin et vice-versa, là où le contexte l'exige.

Daté ce 23^{ème} jour de novembre 2001

L'ALLIANCE DES CAISSES POPULAIRES DE L'ONTARIO LIMITÉE

Par : 
Lucie Moncion, directrice générale



San Veitch
DIRECTOR OF LAND REGISTRATION
Ministry of Consumer Services
Government of Nova Scotia

Filed by Scotia Mortgage Corporation

The following set of standard charge terms shall be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Act.

1. DEFINITIONS

In this set of standard charge terms, mortgage means a Charge/Mortgage of Land (Form 2) in which the set is referred to by its filing number, any schedules attached to it and this set of standard charge terms. You and your mean each person who signs the mortgage as chargor. We, our and us mean Scotia Mortgage Corporation, the chargee. Your property means the land described in box 5, all buildings now or later on it and anything now or later attached or fixed to the buildings or the land, including additions, alterations and improvements. Principal amount means the amount specified in box 4. Loan amount means the outstanding balance of all amounts (including interest) owing to us from time to time under the mortgage, as amended from time to time. Any reference to signing any document includes an electronic signature.

Any reference to a box in this set of standard charge terms refers to a box on Form 2 (including anything set out in a schedule to Form 2 which deals with the subject matter of that box) and any reference to signing the mortgage means signing Form 2 or a schedule to it. References to paragraphs refer to paragraphs of this set of standard charge terms.

If this mortgage is a CMHC-insured mortgage, it is made pursuant to the National Housing Act.

2. WHAT THE MORTGAGE DOES

In return for our making a loan to you in the principal amount (which, by signing the mortgage, you acknowledge having received from us), you:

- i) If you are the owner of your property, charge your property to us and our successors and assigns (called our legal representatives);
- or
- ii) If you are a tenant of your property under a lease, charge your interest in your property (including any option to purchase) to us and our legal representatives, for the entire term of the lease;

as security for repayment of the loan amount and the performance of all of your other obligations under the mortgage. This means you charge your entire interest in your property to us and to anyone to whom the mortgage is transferred in any way.

Termination of the Mortgage:

Our interest in the property terminates when you have:

- Repaid the loan amount (including interest) as provided in the mortgage; and
- Complied with all of your other obligations under the mortgage.

3. INTEREST

A. Interest Rate

The interest rate payable by you on the loan amount is specified in box 9(b). Interest is payable monthly and calculated half-yearly not in advance. The first half-yearly calculation of interest after the interest adjustment date (IAD) (which is one month before the date on which your first regular monthly loan payment is due) specified in box 9(d) shall be for the six month period commencing on that date. That calculation shall be made six months after the interest adjustment date and half-yearly calculations of interest shall continue to be made every six months after that. Interest is payable on the loan amount at this rate both before and after the final payment date as well as both before and after default and judgment, until the loan amount has been paid in full.

B. Compound Interest

If on any monthly loan payment date you do not make the payment due on that day, we will charge you interest on any overdue portion of the loan amount (including interest) until paid to us. This is called **compound interest**. Compound interest shall be paid on your monthly loan payment dates. We will also charge interest, at the rate payable on the loan amount, on compound interest that is overdue until paid to us, both before and after the final payment date as well as both before and after default and judgment.

4. HOW YOU WILL REPAY YOUR LOAN

A. Currency and Place of Payment

You shall pay the loan amount to us in Canadian dollars. Your regular monthly loan payments and all other payments will be made at the Branch address set out in box 15, or at any other place we may designate, and are payable as follows:

B. Interest Payable Prior to and on Interest Adjustment Date

Before your regular monthly loan payments begin you will pay us interest, at the rate payable on the loan amount, on all money we have advanced to you up to the interest adjustment date or, at our option, such interest will be deducted from subsequent advances. Interest will be computed from the date of each advance and will become due and payable in monthly instalments on the first day of the month next following the date of each advance and on the first day of each and every month thereafter. The balance, if any, of interest on such advances (computed by excluding the interest adjustment date from the calculation) shall become due and be paid on the interest adjustment date.

C. Payments after the Interest Adjustment Date

The principal amount, together with interest calculated from the interest adjustment date, shall become due and be paid by you in regular monthly loan payments.

You will make your regular monthly loan payments to us in equal instalments in the amount specified in box 9(h) beginning on the date specified in box 9(f) and continuing on the **FIRST** day of each and every following month and ending on the date specified in box 9(g). Each date that you are required to make a monthly loan payment is called a **monthly loan payment date**. Each monthly loan payment consists of a portion of the principal amount together with the interest due and payable on the monthly loan payment date.

You will pay the balance of the principal amount, together with all interest due and payable on it, on the date specified in box 9(i) (which is the same as the date specified in box 9(g) and is called the **last payment date**).

The principal amount is stated in box 4 and interest is payable on it at the same rate and calculated in the same manner as interest is payable on the loan amount.

D. Application of Monthly Loan Payments

Each monthly loan payment will be used: **first**, to pay interest due and payable and **next**, to reduce the principal amount.

5. PAYING OFF A MORTGAGE BEFORE THE MATURITY DATE

You may pay off some, or the entire mortgage early in the ways described below.

If we later agree to change or extend the terms of the mortgage, these prepayment provisions will not apply to the new or extended term.

Closed Mortgage

Providing all your mortgage payments are up to date, you may increase your payments, or pay off some of your mortgage early in one of the ways listed in the chart below. These options apply to partial prepayments only. The options are available each year and cannot be saved to use in a later year. Each year is defined as the 12-month period starting on the Interest Adjustment Date (IAD) or the anniversary of that date. If your mortgage term is less than 12 months, these options are available in each term.

PREPAYMENT OPTIONS		
How	When	What it means
1. *by paying an extra regular mortgage payment	on any regular payment date during the year.	your principal mortgage balance will be reduced by that amount
2. *by paying up to 15% of the original principal amount	at anytime, sum total must not exceed the yearly maximum.	
3. by increasing your regular monthly mortgage payment by up to 15% of the principal and interest payment set for the term of the mortgage	once each year of the term of your mortgage	

*Only items 1 & 2 qualify for the Miss a Payment option

Prepayment costs

When you prepay some, or the entire principal of your mortgage, you will incur prepayment costs unless the partial prepayment is in accordance with the chart above. The costs depend on when you make your prepayment. There are two calculation periods: **closed period** and **open period**. You can however, reduce these costs if you supply a replacement mortgage as described below.

During the **closed period** you may only prepay your entire mortgage if you have entered into a good faith arms length sale of the mortgaged property.

DETERMINING YOUR CLOSED OPEN PERIODS		
Term of mortgage	Calculation Periods	
	Closed Period	Open Period
6 month	First 3 months	Last 3 months
1 year	First 3 months	Last 9 months
2 year	First year	Last year
3 year	First 2 years	Last year
4 or 5 year term	First 3 years	Last year or 2 years
7 year term CMHC* insured	First 3 years	Last 4 years
7 year conventional not CMHC insured	First 5 years	Last 2 years

*CMHC refers to Canada Mortgage and Housing Corporation

Closed Period

During the closed period, the cost to pay off some, or the entire principal amount of your mortgage early, is the higher of (a) or (b), plus a reinvestment fee. That fee is dependent on the length of time you have had the mortgage:

a) 3 months' interest costs at the mortgage rate on the amount you want to pay

b) the interest rate differential. This means the difference between your existing mortgage interest rate and the interest rate currently charged for a mortgage similar to yours for the remaining term of the loan. (This is a mortgage which has a term that is the next shortest to the remaining term of your existing mortgage.)

if you pay off your mortgage within the 1st year after the Interest Adjustment Date, the reinvestment fee is \$500. In the second year the fee is \$400 and \$300 in the third year. There is no fee if you have had the mortgage for more than 3 years.

Open Period

In the **open period**, the cost to pay off some, or the entire principal amount of your mortgage early is 3 months' interest cost at the mortgage rate on the amount you want to pay

Reduced Early Payment Costs with a Replacement Mortgage

You can reduce the costs of paying off your entire mortgage early if you concurrently provide us with a qualifying replacement mortgage for an equal or greater amount than your existing mortgage.

If you do, then in the *closed period* of your mortgage term, your cost is the lesser of (c) or (d):

c) the interest rate differential. This means the difference between your existing mortgage interest rate and the interest rate currently charged for a mortgage similar to yours for the remaining term of the loan. (This is a mortgage which has a term that is the next shortest to the remaining term of your existing mortgage.)

d) the interest rate differential between your existing mortgage rate and the interest rate of the replacement mortgage.

We may further reduce the cost by a minimum of \$300, depending on the amount the replacement mortgage exceeds the amount of your existing mortgage. We will also waive the reinvestment fee.

In the *open period* of your mortgage term, your cost is the lesser of (c) or (d) above, or (e):

e) 3 months' interest costs at your existing mortgage rate.

We may also reduce this cost by a minimum of \$300 as noted above.

In no event will your prepayment costs be less than zero.

Portable Mortgage

As long as we agree in writing, you may transfer your existing mortgage balance to a new home or you may combine your existing balance with additional funds and, depending on the remaining term of the existing mortgage, obtain an extended term. The interest rate on the replacement mortgage will be a blend of the rate you were paying on the funds transferred from your existing mortgage and the rate applicable to the term of the replacement mortgage and/or additional amount.

Miss a Payment Option

You may miss any scheduled payment as long as you have prepaid an amount equal to the missed payments in this term and your mortgage is not in default. You cannot however, miss your mortgage credit insurance premium, if applicable. Extra payments or prepayments may not be used to miss a payment if this mortgage is assumed by a subsequent purchaser.

Continuing Liability

Unless you prepay the balance of the principal amount owing, you must continue to make your regular monthly mortgage payments.

6. YOUR TITLE TO YOUR PROPERTY

A. As Owner of Your Property, you certify that:

- i) You are the lawful owner of your property;
- ii) You have the right to give us the mortgage;
- iii) There are no encumbrances on the title to your property; and
- iv) There are no limitations or restrictions on your title to your property except building by-laws, zoning regulations and registered restrictions.

This paragraph A applies unless you have advised us in writing that you are a tenant of your property under a lease, in which case paragraph B applies.

B. If you Are a Tenant of Your Property

i) You certify that:

- a) The property is leased to you and your legal or personal representatives under a lease, a copy of which you have provided to us;
- b) The lease is a binding and existing lease and all information you have provided to us concerning it is true;
- c) All rents payable under the lease have been paid to the date you sign the mortgage;
- d) You have permission or the right to assign and mortgage or charge the lease; and
- e) Except as expressed in the lease, there are no limitations, restrictions or encumbrances on your interest under the lease other than building by-laws, zoning regulations and registered restrictions.

ii) You promise:

- a) To pay the rent as it falls due;
- b) To comply with all of the other terms of the lease and not to do anything that would cause the lease to be terminated;
- c) Not to surrender the lease;
- d) Not to make any change in the lease without first obtaining our written consent;
- e) To give us a true copy of any notice or request you receive concerning the lease; and
- f) To notify us immediately if your landlord advises you of early termination or takes any steps to effect early termination of the lease.

C. You will not do anything that will interfere with our interest in your property.

D. In order to ensure that your entire interest in your property is charged to us you will sign any other documents or do anything further that we think is necessary.

7. USE OF YOUR PROPERTY

You will not make any additions, alterations or improvements to your property or use your property for any business purposes without our prior written consent.

8. WE ARE UNDER NO OBLIGATION TO MAKE ADVANCES TO YOU UNDER THE MORTGAGE

If we decide, for any reason, that we do not wish to advance the entire principal amount or any part of it to you then we do not have to do so, even though the mortgage is prepared, signed or registered, and whether or not any part of the principal amount has already been advanced. However, by signing the mortgage you charge all of your interest in your property to us. You will reimburse us, on demand, for all our expenses of investigating the title to your property and preparing and registering the mortgage.

9. TAXES

A. You will make **monthly tax payments** to us on account of property taxes on each monthly loan payment. The amount of each monthly tax payment will be 1/12th of our estimate of a year's taxes on your property next becoming due and payable and may change from time to time to reflect changes in the annual taxes on your property. The monthly tax payments should enable us to pay all property taxes on or before their annual due date. Or, if your property taxes are payable in instalments, the monthly payments should enable us to pay the full year's instalments of property taxes on or before the date on which the first instalment is due.

B. If, however, the annual due date or the first instalment date for the payment of your property taxes is less than one year from the interest adjustment date, you will pay us equal monthly tax payments during that period and during the next 12 months. These equal monthly tax payments will be based on our estimate of the total taxes payable for both periods so that we will receive enough money from you to pay all taxes for both of those periods.

C. You will also pay us, on demand, any amount by which the actual taxes on your property exceed our estimate of your taxes. Or, at our option, we may increase the monthly payment to cover this amount.

D. We will pay your taxes from the monthly payment we receive from you as long as you are not in default under the mortgage. We are not obliged to make tax payments on the dates they are due or more often than once a year. If you have not paid us enough for taxes, we may still pay the taxes. This will create a debit balance in your tax account. Any debit balance is immediately payable by you. We are under no obligation to advise you that a debit balance has been created.

E. We will pay you interest on any credit balance in your tax account. The interest we pay will not be less than that paid by The Bank of Nova Scotia on savings-chequing accounts with the same credit balance. We will charge you interest on the debit balance in your tax account at the interest rate payable on the loan amount until the debit balance is paid to us in full.

F. If you fail to pay us any amount when it is due, we may apply the money in your tax account towards payment of such amount.

G. We can deduct from the total final advance of the principal amount enough money to pay all taxes due on or before the interest adjustment date and which have not been paid on the date the final advance is made.

H. You will immediately send us all assessment notices, tax bills or tax notices which you receive.

10. PAYMENTS WE CAN MAKE

We can pay off any liens, claims or encumbrances against your property which we consider to have priority over the mortgage. We can also pay all our expenses of collecting any payments not received from you when due. These expenses will include all our legal expenses on a solicitor and own client basis. You must immediately reimburse us for any amount so paid.

If we pay off any liens, claims or encumbrances against your property, we will be entitled to all the rights, equities and securities of the person, company, corporation or Government so paid off. We are authorized to retain any discharge which may be given for six months or more, if we consider it advisable to do so.

11. TRANSFER OF LEASES AND RENTS

A. If you have leased or, at a later date, lease all or part of your property to another person or persons, then, upon our written request, you will transfer and assign to us:

- i) All leases, lease agreements and their renewals;
- ii) All rents and other money payable under the terms of all leases and agreements. However, we may allow you to receive the rents so long as there is no default by you in making your payments to us or in complying with your other obligations to us under the mortgage; and
- iii) All rights under the leases and agreements as they affect your property.

B. In addition, you confirm that:

- i) You must obtain our prior written consent for any future leases of your property or for the renewal of any lease (other than a renewal provided for in any lease);
- ii) Nothing we do under this paragraph 11 shall put us in possession of your property;
- iii) However, if you default under the mortgage, we have the right to take possession of your property; and
- iv) We are not obliged to collect any rent or other income from your property nor to comply with any term of any lease or agreement.

12. INSURANCE

You will without delay insure, and keep insured, in our favour and until the mortgage is discharged, all buildings covered by the mortgage (including those which will be built in the future both during construction and afterwards) against loss or damage by fire and other perils usually covered in fire insurance policies and against any other perils we request. Such insurance must be provided by a company approved by us for the replacement cost of the buildings (the maximum amount for which the buildings can be insured) in Canadian dollars. Your policy must be in form satisfactory to us and must include extended perils coverage and a mortgage clause stating that loss is payable to us. You shall, at our request, transfer to us all insurance policies and receipts you have on the buildings and any proceeds from that insurance.

If you do not:

- Maintain insurance on the buildings that, in our opinion, complies with this paragraph;
- Deliver a copy of any insurance policy or receipt to us at our request; or
- Provide us with evidence, at our request, of any renewal or replacement of the insurance, at least fifteen full days before your insurance expires or is terminated,

we can, but are not obliged to, insure any of the buildings. What we pay for this insurance shall be added to the amount you owe under this mortgage and shall bear interest at the mortgage interest rate. You will pay this amount with your next monthly payment. If any loss or damage occurs, you will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. The production of this mortgage will be sufficient authority for an insurance company to pay us any loss related to the insurance policy or to accept instructions from us dealing with the loss.

Insurance proceeds may, in whole or in part, at our option, be:

- a) Applied to rebuild or repair the damaged buildings;
- b) Paid to you;
- c) Paid to any other person who owns or did own the property, as established by the registered title; or
- d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

This paragraph 12 does not apply (and paragraph 22E does apply) if your property is a condominium unit.

13. KEEPING YOUR PROPERTY IN GOOD CONDITION

You shall keep your property in good condition and make any repairs needed. You shall not do anything, or let anyone else do anything, that lowers the value of your property. We can inspect your property at any reasonable time. If, in our opinion, you:

- Do not keep your property in good condition; or
- Do or allow anything to be done that lowers the value of your property;

we can make any repairs we think are advisable. The costs of any inspections and any repairs we make are immediately payable by you.

14. ENVIRONMENTAL PROVISIONS

We (including, in this section, the Canada Mortgage and Housing Corporation if this is a CMHC-insured mortgage) may inspect your property and the buildings on it when we consider it appropriate. We may do this for any purpose but particularly to conduct environmental testing, site assessments, investigations or studies which we consider necessary. The costs of any testing, assessment or study will be payable by you and you will pay us the costs immediately after we give you notice of them. If you do not pay us when we request it, we can add the amounts to the outstanding balance under your mortgage and they will bear interest at your mortgage interest rate. If we do the things permitted under this section, we will not be considered to be in control of your property.

15. REPAYMENT OF LOAN AMOUNT ACCELERATED

The loan amount will become payable immediately, at our option, if:

- a) You default in making any regular monthly loan payment, or any other payment you are obliged to make to us under the mortgage.
- b) You fail to comply with any of your other obligations under the mortgage.
- c) Any lien is registered against your property or we receive written notice of any lien that is created as a result of unpaid property taxes, unpaid condominium maintenance fees, judgements or construction liens or other similar encumbrances.
- d) Your property is abandoned.
- e) Any buildings being erected or additions, alterations or improvements done on your property remain unfinished without work being done on them for 30 consecutive days.

16. APPOINTING A RECEIVER TO RECEIVE INCOME

If you default in making any regular monthly loan payment or any other payment which you have agreed to make to us, or in complying with any of your obligations under the mortgage, we can, in writing, appoint a receiver (which includes a receiver and manager) to collect any income from your property. We can also, in writing, appoint a new receiver in place of any receiver appointed by us. The receiver is considered to be your agent and not ours and his defaults are considered to be solely your defaults.

The receiver has the right to:

- Use any available remedy (taken in your name or our name) to collect the income from your property;
- Take possession of your property or part of it; and
- Manage your property and maintain it in good condition.

From the income collected the receiver may:

- a) Retain a commission of 5% of the total money received or any higher rate permitted by a judge or other authorized officer.
- b) Retain enough money to pay disbursements spent on collecting the income.
- c) Pay all taxes, fire insurance premiums, expenses of keeping your property in good condition, interest on those payments and all other charges that have priority over the mortgage and interest on those charges.
- d) Pay us all interest that is due and payable under the mortgage and then pay us all or part of any other amount payable under the mortgage, whether it is due or not.

Nothing done by the receiver puts us in possession of your property or makes us accountable for any money except for money actually received by us.

17. ENFORCING OUR RIGHTS**A. Default in Payment**

If you default in making any regular monthly loan payment or any other payment that you are obliged to make to us under the mortgage, we may enforce any one or more of the following remedies in any order:

- i) Sue you — We may take such action as is necessary to obtain payment of the loan amount.
- ii) Foreclose or sell your property — We may commence court proceedings to foreclose your right, title and equity of redemption to all or part of your property. If we obtain a final order of foreclosure, your property will by law become our property.

We may also ask the court to order the sale of your property. If the court makes such an order, it will supervise the sale proceedings. The net proceeds of the sale will be applied to reduce the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale of your property is less than the loan amount, you must pay us the difference.
- iii) Power of sale — If you default in making any payment for 15 days, we can on 35 days' notice to you enter on your property and:
 - a) Take possession of it;
 - b) Sell all or part of your property (for cash or on credit, or partly for cash and partly on credit) by private sale or public auction for the price and on those terms that can be obtained;
 - c) Lease it on such terms and for whatever period we may decide upon; or
 - d) Take any other remedy available to us under Ontario law.

Notice shall be given to you and to such other persons in the manner and as required by law at the time it is given. Where there are no such requirements, notice may be given to you, at our option, by one or more of the following means:

- Personal service at your last known address;
- Registered mail at your last known address;
- Publication in a newspaper published in the county or district where your property is located;
- Leaving it with an adult on your property; or
- Posting it on your property.

If default continues for three months, we may enter on, sell or lease your property without any notice unless notice is required by law.

We may apply the net proceeds of the sale or lease to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you. If the amount we receive from the sale or lease of your property is less than the loan amount, you must pay us the difference.

B. Default in your obligations including default in payment — If you default in any obligation under the mortgage (including any default referred to in paragraph A), we can enforce our above rights and we can enter on your property at any time, without the permission of any person, and make all arrangements that we consider advisable to:

- Inspect, lease, collect rents or manage your property;
- Repair or put in order any building on your property; or
- Complete the construction of any building on your property.

We can also take whatever action is necessary to take possession, recover and keep possession of your property.

C. Sale of goods (commercial mortgage only) —

If this is a commercial mortgage and you fail to make any payment to us when it is due, we can distrain against your goods. This means we can take any goods on your property and sell them as permitted by Ontario law. We may apply the net proceeds from the sale to reduce any part of the loan amount. Taking this action does not put us in possession of your property nor make us accountable for any money except the money we actually receive.

D. You will not interfere — You will not interfere with our possession of your property (if we go into possession of your property in enforcing our above rights) nor with the possession of anyone to whom your property is sold or leased by us or any receiver. You agree not to make any claim concerning the sale or lease of your property against anyone who buys or leases it from us or any receiver, or anyone who buys or leases it after that time.

E. Our expenses — You will immediately pay all our expenses of enforcing our rights. Our expenses include our costs of taking or keeping possession or your property, an allowance for the time and services of Scotia Mortgage Corporation's and/or The Bank of Nova Scotia's employees utilized in so doing, our legal fees on a solicitor and own client basis and all other costs related to protecting our interest under the mortgage.

F. Judgements — If we obtain a court judgement against you for your failure to comply with any of your obligations to us under the mortgage, the judgement will not result in a merger of the terms of the judgement with our other remedies or rights to enforce your other obligations under the mortgage. We will continue to be entitled to receive interest on the loan amount at the rate payable on the loan amount and at the same times as provided for in the mortgage. The rate of interest payable on any judgment shall be calculated and payable in the same way as interest is calculated under the mortgage and at the same rate that interest is payable on the loan amount until the judgment has been paid in full.

18. DELAY IN ENFORCEMENT OF OUR RIGHTS

No delay or extension of time granted by us to you or any other person in exercising the enforcement of any of our rights under the mortgage nor any agreement referred to in paragraph 21 shall affect our rights to:

- a) Receive all payments you are obliged to make to us, when they are due and payable.
- b) Demand that you repay the loan amount and all interest which is due and payable, on any default by you.
- c) Have you comply with all of your obligations to us under the mortgage.
- d) Have any other person comply with the obligations that person has to us under the mortgage.

19. BUILDING MORTGAGE TERMS

An improvement means any alteration, addition or repair to any building on your property or any construction, erection or installation on your property. If the purpose of the mortgage is to finance an improvement, you must so inform us in writing immediately and before any advances are made under the mortgage. You must also provide us immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. You agree that any improvement shall be made only according to contracts, plans and specifications approved in writing by us in advance. You must complete all such buildings or improvements as quickly as possible and provide us with proof of payment of all contracts from time to time as we require. We will make advances (part payments of the principal amount) to you based on the progress of the improvement, until either completion and occupation or sale of your property. We will determine whether or not any advances will be made and when they will be made. Whatever the purpose of the mortgage may be, we may in our sole and absolute discretion hold back funds from advances until we are satisfied that you have complied with the holdback provisions of the Construction Lien Act as amended or re-enacted. You authorize us to provide information about the mortgage to any person claiming a construction lien on your property.

20. RELEASING YOUR PROPERTY FROM THE MORTGAGE

We may establish the terms for releasing our interest in all or part of your property (that is, we may discharge, or partially discharge, your property) from the mortgage whether we receive value for our release or not. If we release part of your property from the mortgage at any time, the rest of your property will continue to secure the loan amount. We are only accountable for money actually received by us.

If your property is subdivided before our interest in your property comes to an end, the mortgage will be secured by each part into which your property is subdivided. This means that each part will secure repayment of the total amount you owe us, even if we release another part of your property from the mortgage.

We can release you, any guarantor, or any other person from performing any obligation contained in the mortgage or any other security document, without releasing any part of your property secured by the mortgage or any other security, and any such release shall not release any other person from the obligations in the mortgage.

21. RENEWING OR OTHERWISE AMENDING THE MORTGAGE

We may from time to time enter into one or more written agreements with you (or with any one to whom your property is transferred) to amend the mortgage by extending the time for payment, renewing it or its term for further periods of time, changing the interest rate payable under the mortgage or otherwise altering the provisions of the mortgage. Whether or not there are any encumbrances on your property in addition to the mortgage at the time the agreement is entered into, it will not be necessary to register the agreement on title in order to retain priority for the mortgage, as amended, over any instrument registered after the mortgage. Any reference in this set of standard charge terms to the mortgage means the mortgage as amended by any such agreement or agreements.

22. CONDOMINIUM PROVISIONS

If your property is a condominium unit, you are also to comply with the provisions in this paragraph 22 in addition to all of the other provisions of the mortgage (except paragraph 12).

In this paragraph 22, the Condominium Act, as amended or re-enacted, is called the Act. Expressions used below which are the same as those in the Act have the same meaning as those in the Act, except that the expression **condominium property** has the same meaning as the word "property" in the Act.

A. - You will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the corporation) relating to your property and provide us with proof of your compliance from time to time as we may request.

B. You will pay the common expenses for your property to the corporation on the due dates. Or, if we exercise our right to collect your contribution towards the common expenses from you, you will pay the same to us upon being so notified. We can accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due.

C. You will forward to us any notices, assessments, by-laws, rules and financial statements of the corporation you receive (or are entitled to receive) from the corporation.

D. You will maintain all improvements made to your unit and repair them after damage.

E. Insurance — In addition to the insurance which the corporation must obtain, you must:

- i) Insure all improvements which you or previous owners have made to your unit;
- ii) Obtain insurance for those additional risks that we require;
- iii) Insure your common or other interest in buildings (whether presently existing or built in the future, both during construction and afterwards) which are part of the condominium property or assets of the corporation if the corporation fails to insure the buildings or assets as required or if we require you to do so;
- iv) Assign your insurance policies to us and (as far as permitted by law) your interest in the policies held by the corporation.
- v) Provide us with proof that the required insurance is in force, as well as evidence of any renewal or replacement of the insurance, within fifteen days before the insurance expires or is terminated.
- vi) Do all that is necessary to collect insurance proceeds.

Each of your insurance policies (and those of the corporation) must comply with the following:

— Your property must be covered against destruction or damage by fire and other perils usually covered in fire insurance policies and against any other perils we require for its full replacement cost (the maximum amount for which it can be insured) in Canadian dollars;

— The insurance company and the terms of the policy must be satisfactory to us.

If you fail to insure your property as required in this paragraph 22, we can, but are not obliged to, obtain any insurance which you are required to obtain. What we pay for this insurance will immediately become payable by you to us. If any loss or damage occurs, you, on behalf of the condominium corporation and yourself, will provide us immediately, at your expense, with all necessary proofs of claim. You will also do all necessary acts to enable us to obtain payment of insurance proceeds. You will seek to ensure the full compliance by the condominium corporation with its duties and obligations under the **Condominium Act** and the Declaration and By-Laws of the condominium corporation.

To the extent permitted by law, insurance proceeds may, in whole or in part, at our option be:

- a) Applied to rebuild or repair the damage to your property;
- b) Paid to you;
- c) Paid to any other person who owns or did own the property, as established by the registered title; or
- d) Applied, at our sole discretion, to reduce any part of the loan amount, whether due or not yet due.

F. You must pay certain other expenses — In addition to our other rights and remedies contained in the mortgage, you will pay us immediately all our expenses in relation to:

- Any by-law, resolution, rule or other matter (other than one for which only a vote of the majority present at the meeting is required);
- The enforcement of our right to have the corporation or any owner comply with the Act, declaration, by-laws and rules; and
- Our exercising any voting rights we may have.

Where our expenses relate to other units as well as to your property, the amount you are required to pay will only be the expenses related to your property as we determine.

G. Voting and other rights — You authorize us to exercise your rights under the Act to vote, consent and dissent. You also authorize us to exercise your rights to:

- Demand the corporation purchase your unit and common interest, where provided under the Act;
- Elect to have the value of your unit and common interest or that of the condominium property determined by arbitration;
- Receive your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements.

If we do not exercise your rights, you may do so according to any instructions we may give you. Before making such a demand or election you must obtain our prior written approval. You must do this even if we do not have the right to make the demand or election as between ourselves and the corporation, and even if we had previously arranged for you to exercise that right.

Nothing done under this paragraph 22 puts us in possession of your property. We are not liable for any action we may take in doing what you have authorized us to do or for any failure to act. We may at any time revoke any arrangement we make for you to do anything you have authorized us to do.

H. Our additional rights under the mortgage — You authorize us to do the following:

- i) Inspect your property at any reasonable time.
 - ii) Do any needed maintenance or repairs after damage.
 - iii) Inspect the corporation's records
 - iv) Remedy any failure of yours to comply with the Act or the declaration, by-laws and rules of the corporation.
- I. Repayment of the loan amount may be accelerated — The loan amount will become payable immediately, at our option, if:
- i) The corporation fails to comply with the Act and the declaration, by laws and rules of the corporation;
 - ii) The corporation fails to:
 - insure all the condominium units and common elements according to law and according to any additional requirements of ours;
 - insure its assets if we so require and according to our requirements;
 - provide us with proof that the insurance is in force, if we ask for it; or
 - do all that is necessary to collect insurance proceeds;
 - iii) The corporation does not, in our opinion, manage the condominium property and assets in a careful way;
 - iv) The corporation fails to keep the corporation's assets in good repair and working order;
 - v) The corporation makes any substantial modification to the common elements or the corporation's assets without our approval;
 - vi) There has been substantial damage and the owners have voted for termination of the condominium;
 - vii) A sale of the condominium property or any part of the common elements is authorized
 - viii) A court makes an order that the government of the condominium property by the Act be terminated; or
 - ix) The condominium property ceases to be governed by the Act

Our rights will not be affected by the fact that we voted for or consented to such termination, sale or order or to the condominium property not being governed by the Act

J. Termination of the corporation — If your property ceases to be governed by the Act:

- All the terms of the mortgage continue to apply;
- You authorize us to agree with anyone to a partition of the condominium property. We can pay or receive money to ensure that the partition is equal and you will reimburse us, immediately, for any money we have paid. We can also execute all documents and do all acts needed to carry out the partition;

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- Your share of the corporation's assets and the proceeds from the sale of your unit and common interest or of the condominium property or any part of the common elements shall be paid to us (unless we notify you to the contrary in writing) and you will do all things necessary to accomplish this; and
- Any money received by us (after payment of all our expenses) may be applied to reduce any part of the loan amount. Any balance remaining after all claims have been satisfied will be paid to you.

23. DISCHARGE

When our interest in your property comes to an end, we will provide, at our sole discretion, either a full discharge of our claim (which is called a Discharge of Charge/Mortgage) or a written confirmation that our claim has been discharged (which is called a Notification of Discharge). You will give us a reasonable time in which to prepare such documents and you will pay our usual administrative fee for preparing, reviewing, signing or registering the discharge document and all legal and other expenses we incur in so doing. In the event we provide you with a Discharge of Charge/Mortgage, you will be responsible for registering the documentation and for all costs relating to such registration.

When our interest in your property comes to an end and you request that we assign your mortgage we will prepare an assignment to the mortgage for you. You will give us a reasonable time in which to prepare and sign the assignment and you will pay our usual administrative fee for preparing, reviewing and signing the documentation and all legal and other expenses we incur in so doing. You will be responsible for registering the documentation and for all costs relating to such registration.

24. HEADINGS

Headings form no part of the mortgage. They are used so that parts of the mortgage can easily be referred to.

25. WHO IS BOUND BY THE MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in the mortgage. The mortgage will also be binding on your heirs, personal and legal representatives, successors or assigns, our successors, assigns or legal representatives and anyone else to whom your property is transferred. As well, the mortgage will be binding on anyone to whom it is transferred by us. All persons who sign the mortgage as chargors are collectively and individually (that is, jointly and severally) bound to comply with all obligations under the mortgage.

26. STATUTORY COVENANTS EXCLUDED

The covenants set out in Section 7(1) of the Land Registration Reform Act, 1984, as amended or re-enacted, are excluded from the mortgage.

27. GUARANTEE

In this paragraph 27, **guarantor** means each person who signs the mortgage as guarantor. **Chargor** means the person or persons who sign the mortgage as chargor and **property** means the property charged by the mortgage.

In return for us making a loan to the chargor, the guarantor, by signing the mortgage, guarantees the chargor's payments (including interest, whether or not the interest rate is changed), and compliance with the chargor's other obligations, under the mortgage. Each guarantor agrees that, if the chargor defaults in making any payment or in performing any other obligation under the mortgage, the guarantor will pay us all of the unpaid payments and comply with all of the obligations which have not been complied with by the chargor. Each guarantor will be collectively and individually (that is, jointly and severally) responsible with the chargor and with one another (if more than one) for all obligations under the mortgage.

It is understood that we can without lessening the guarantor's liability and without obtaining the consent of or giving notice to the guarantor:

- Grant any extensions of time for payment and extensions of the term of the mortgage, including any renewals of the mortgage or its term for further periods of time;
- Increase the rate of interest payable under the mortgage, either during the initial term or in any subsequent renewal period;
- Release the whole or any part of the property from the mortgage or any other security;
- Otherwise deal with the chargor, any other person (including any guarantor), any security (including the mortgage) or the property, including releasing, realizing on or replacing any security we may hold;
- Waive any provision of the mortgage or change any of the terms of the mortgage at any time during the initial term of the mortgage or in any subsequent renewal period;

either before or after requiring payment from any person without affecting the guarantee. We may require payment from any guarantor without first trying to collect from the chargor or any other person (including any guarantor) or on any security (including the mortgage). Each guarantor's obligations shall be binding upon the guarantor's successors or personal representatives.

Dated this 20th day of December, 2001

Ajay Mundkur
 Ajay Mundkur
 Vice-President
 Scotia Mortgage Corporation